

SECRET

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington, D. C.

September 29, 1944

Amendment to
CIRCULAR NO. A-8

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Various allowances payable to Federal officers and employees stationed in foreign countries, etc.

This amendment to Circular No. A-8, dated August 1, 1943 provides (1) for the regrouping of certain personnel for the payment of quarters allowances; (2) prescribes a special maximum foreign living allowance for posts in liberated areas and Vatican City; and (3) prescribes a special foreign living allowance for posts in China. Appendixes I-IV, inclusive, of Circular No. A-8 are amended accordingly.

1. Groups 2, 3, and 4 as defined in paragraph 7, "Classification of officers and employees," of Part I and as indicated in Appendix II, are hereby redefined, effective July 1, 1944, to read as follows:

"Group 2: In a diplomatic mission, the counselors of embassy or legation or the senior first secretary acting as counselor; or, if there is neither a counselor of embassy or legation nor a senior first secretary acting as counselor, then the highest ranking diplomatic secretary.

"Foreign Service officers in charge of consular posts and vice consuls commissioned by the Secretary of State who are in charge of consulates.

"Attaches, who are neither Foreign Service officers nor vice consuls commissioned by the secretary of State; commissioners; supervising agents; and technical and professional experts directly subordinate to their departments in Washington.

"Group 3: All Foreign Service officers assigned as diplomatic or consular officers and not included in Group 2; vice consuls commissioned by the Secretary of State and not included in Group 2; Foreign Service employees designated as administrative officers; assistant attaches (including Foreign Service officers designated as assistant attaches); assistant commissioners; inspectors; immigration technical advisers; treasury representatives; customs agents and deputy collectors of customs; technical and professional experts not directly subordinate to their departments in Washington, and junior technical experts.

"Group 4: All other employees."

(No. A-8)

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2. Due to the unusual and extraordinary conditions prevailing in liberated areas, the Secretary of State has authorized, pursuant to paragraphs 14a and 23 of Circular No. A-8, a special maximum foreign living allowance for all posts in such areas and Vatican City. This allowance shall be paid in lieu of all other allowances, to all officers and employees, except Foreign Service personnel, State Department, stationed in liberated areas and entitled to allowances under this Circular. It shall be paid effective July 1, 1944 and until further notice, at rates not to exceed the following annual maxima:

<u>Classification Grade</u>	<u>Employees With Dependents</u>	<u>Employees Without Dependents</u>
CAF-12, P-5, and above	\$3060	\$2520
CAF-9, P-3 to CAF-12, P-5	\$2700	\$2160
Below CAF-9, P-3	\$2520	\$1980

Suitable adjustment below the maximum allowance shall be made by the department or establishment when the unusual or extraordinary conditions are modified to the extent that maximum allowances are not necessary.

For the purposes of paragraph 14e of Circular No. A-8, this special allowance shall be considered as a post classification, and employees temporarily receiving the domestic per diem allowance or a portion thereof, shall be paid at a rate not to exceed the above maxima, retroactively to date of arrival at their posts in liberated areas or Vatican City.

3. Due to the unusual and extraordinary conditions prevailing in China, the Secretary of State has authorized, pursuant to paragraphs 14a and 23 of Circular No. A-8, a special foreign living allowance for all posts in China. Effective October 1, 1944, or from date of arrival at his post, whichever date is later, and until further notice, each officer and employee, except Foreign Service personnel, State Department, stationed in China and entitled to allowances under this Circular, shall be paid in lieu of all other allowances, at the base rate of \$2000 per annum, less 25% or not to exceed \$500 when Government quarters are provided.

In addition, each officer and employee whose wife and/or minor children have regularly resided with him, shall receive additional allowances at the following per annum rates:

(No. A-8)

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Base rate of the grade	Maximum allowance	For a wife: 4/6 of maximum	For a child: 1/6 of maximum	For 2 or more children: 2/6 of maximum
\$4600 & above	\$1200	\$800	\$200	\$400
\$3200 to \$4599	\$1440	\$960	\$240	\$480
Below \$3200	\$1200	\$800	\$200	\$400

The additional allowance shall be paid effective October 1, 1944, or when the officer or employee departs for his post in China, whichever date is later. It shall terminate on the date the employee leaves China, or the date of departure of his wife and/or minor children for China.

The amount of the additional allowances shall not be modified except upon a change in the employee's dependency status. The basic allowance of \$2000, less 25% or not to exceed \$500, shall be adjusted by order of the American Ambassador, or in his absence, by the Charge d'Affaires ad interim, effective the first of the month following a month for which he shall determine that, for personnel receiving the allowance, the average cost of subsistence, exclusive of rent, as affected by exchange rates or other circumstances, shall have changed by as much as 10% from the last established rate. The adjustment shall be directly applied as a percentage change to increase or decrease the basic allowance, less 25% of \$2000. Such adjustment shall be certified as being correct and necessary by the Ambassador to the Department of State which shall in turn, so certify to the Bureau of the Budget; provided that, if the cost of subsistence, exclusive of rent, as measured by the method above, should change by more than 20% for any one month, prior approval and authorization of the Secretary of State is required to adjust the allowance.

HAROLD D. SMITH
Director

(No. A-8)

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CONFIDENTIAL
OFFICE OF STRATEGIC SERVICES
 Washington, D.C.

GENERAL ORDER
 NUMBER: 75-8
 ISSUED: 22 August 1944
 EFFECTIVE: 22 August 1944

TO: List S
 SUBJECT: Allowance to Civilians for Special Clothing
 REFERENCE: Board of Review
 Administrative Bulletin No. ³ 31

The following recommendation of the Board of Review is hereby approved:

1. Office or Branch Chiefs may requisition up to \$200 per person from Special Funds to provide necessary special clothing to civilian employees ordered to posts outside of the Continental U.S., on confidential missions or duties, where special clothing not ordinarily used by civilians in this country is necessary to the proper performance of the assigned duty.
2. Unused funds together with complete receipts for purchases will be delivered to the Special Funds Branch at the earliest practicable time.
3. In exceptional cases, additional allowances may be recommended by Office or Branch Chiefs to the Director in Continental U.S. or to the Strategic Services Officer in the Theater. If approved, such additional allowances may be requisitioned from Special Funds Branch and accounted for as in paragraph 2 above.
4. Special clothing provided in accordance with this order shall be expendable property of the United States.

L. Edward Buxton
 Acting Director

(49898)

CONFIDENTIAL

SECRET**OFFICE OF STRATEGIC SERVICES**
Washington, D.C.**GENERAL ORDER**
NUMBER: 75-9
ISSUED: 30 August 1944
EFFECTIVE: 30 August 1944**TO:** List S**SUBJECT:** Per diem allowances to civilians and Army or Navy personnel in training in Continental U.S. for overseas duty.

The following recommendation of the Board of Review is hereby approved and applies to personnel recruited in Continental U.S. for foreign duty, where the clear intent of their employment by OSS is that they will be sent overseas as soon as training can be completed and transportation arranged:

1. Civilian Personnel, including Agents

(a) No civilian employee is considered to be in travel status during the time he is actually at his OSS Headquarters in Continental U.S. or at any Training Area.

(b) Quarters and subsistence will be furnished all civilians while actually in Training Areas, and no deductions will be made against their salaries for such accommodations.

(c) Travel costs, and per diems or expenses, (in accordance with regular OSS practices) shall be allowed civilian employees only when they are engaged in official business away from OSS Headquarters in Continental U.S., or when they are away from any Training Area on an assigned task in connection with training programs.

2. Army or Navy Personnel

(a) In addition to regular allowances for quarters and subsistence provided by their respective services, commissioned and enlisted personnel who are not drawing per diem from their respective services may be allowed per diem as follows during the period between the date

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on which they report for duty with OSS and the date of their departure overseas, when the Office or Branch Chief concerned is satisfied that such allowance is necessary to avoid substantial hardship:

(i) Officers, a per diem of \$7.00 for a maximum of 7 days.

(ii) Enlisted men, a per diem of \$5.00 for a maximum of 7 days.

(b) Army personnel assigned to temporary duty at OSS training camps shall continue to receive a monetary allowance in lieu of quarters as provided in Memorandum No. 27, issued 6 May 1944 by the Commanding Officer of Headquarters and Headquarters Detachment.

Payments or allowances to be made from OSS funds under this order are in connection with the confidential duties of this agency. Office or Branch Chiefs concerned shall requisition necessary funds from the Special Funds Branch and account therefor in accordance with regulations prescribed by the Chief, Special Funds Branch.

H. Edward Burton
Acting Director

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(50651)

SECRET**OFFICE OF STRATEGIC SERVICES**

Washington, D. C.

GENERAL ORDER

NUMBER: 75-10

ISSUED: 23 August 1944

EFFECTIVE: 23 August 1944

TO: List S

SUBJECT: Additional compensation of Military or Naval personnel attached to OSS

The following recommendation of the Board of Review is hereby approved:

1. (a) Military or Naval personnel in the Continental U.S. shall receive extra compensation only when assigned as agents to missions, activated in the Continental U. S., and intended for operations behind enemy lines. Such personnel may be paid extra compensation from the date of their Military or Naval overseas orders to the termination date of the mission.

(b) Military or Naval personnel in foreign Theaters may be paid extra compensation only when assigned as agents to missions intended for operations behind enemy lines. Such additional payments will be effective from the date of such assignment to the termination date of the mission.

2. (a) Additional compensation may be paid to Military or Naval personnel, acting as agents, in order to raise their total pay (exclusive of allowances) up to the salaries of OSS civilians doing similar work, provided that such total pay does not exceed the rate of \$5,000 per year.

(b) All Office or Branch Chiefs, both in Washington and abroad, will revise any existing arrangements affected by this order. Contracts will be adjusted or rewritten as soon as possible.

3. Extra compensation may be paid to Army or Navy personnel, acting as agents, only by Special Funds Officers in accordance with regular Special Funds payroll procedures and engagement sheets.

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4. Commencing 30 September 1944, the Chief, Special Funds Branch, shall submit to the Director a record, at the end of each quarter, indicating the name and rank of all Army or Navy personnel who receive extra compensation from Special Funds, together with the amounts received and the Office or Branch to which such personnel is assigned. The Chief, Special Funds Branch, may requisition from any source all information necessary, in his judgment, to the proper preparation of such quarterly reports.

J. Edward Burton
Acting Director

(49898)

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OIS
Form 68 (Rev. 10-60)

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

REC'D 1751

20 AUGUST 45

DATE 17 AUGUST 45

TO SEE BELOW

FROM OFFICE OF STRATEGIC SERVICES

PRIORITY

ROUTINE

DEFERRED

BOOK MESSAGE
2 STATIONS

DISTRIBUTION

(CONFIRMATION TO ORIGINATOR)
BOARD OF REVIEW(FOR INFORMATION)
DIRECTOR, FIELD SECTION.

Vol I, Tab 16

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TO CHAFX, KUNMING
TO HNOI, CHUNGKING(OUT 21196)
(OUT 21157)

HEPHER AND BOARD OF REVIEW FROM 109 AND BOARD OF REVIEW.

1. UNDER GENERAL ORDER 75-7, SUPP. 1, LIVING ALLOWANCES FOR CIVILIAN EMPLOYEES IN CHINA WERE TO BE ESTABLISHED AT \$2000 PER MONTH WHEN GOVERNMENT QUARTERS ARE NOT PROVIDED AND \$1500 WHEN QUARTERS ARE PROVIDED. IN ACCORDANCE WITH BUDGET CIRCULAR A-8 AS AMENDED, FURTHER AMENDMENT TO BUDGET CIRCULAR A-8 NOW REVEALS THAT BEGINNING 1 JANUARY THE AMBASSADOR HAS ESTABLISHED CHANGES IN THE BASIC ALLOWANCES IN ACCORDANCE WITH THE AUTHORITY GIVEN HIM BY BUDGET CIRCULAR A-8. FOR NOVEMBER AND DECEMBER 1944 RATES CONTINUED AT \$2000 AND \$1500, BUT FOR JANUARY AND FEBRUARY, CHANGE WAS MADE TO \$1550 AND \$1050, FOR MARCH \$1723 AND \$1223, AND FOR APRIL THROUGH JUNE \$1912 AND \$1412. THESE CHANGES WERE NOT PUT INTO EFFECT FOR UNVOUCHERED FUNDS EMPLOYEES NOR FOR CIVIL SERVICE EMPLOYEES IN YOUR THEATER. DID AMBASSADOR GIVE YOU ANY NOTICE OF THESE REVISIONS? IF NOT, WOULD YOU SECURE AFFIDAVIT FROM HIM TO THAT EFFECT. WE SHALL ATTEMPT TO WORK OUT SYSTEM OR RULING TO PREVENT ANY REQUIREMENT OF REIMBURSEMENT BY EMPLOYEES PAID ON BASIS OF ORIGINAL RATES. HOWEVER, WOULD LIKE TO HAVE AMOUNTS OVERPAID TO YOUR EMPLOYEES IF THE AMBASSADOR'S RATES HAD BEEN FOLLOWED, NUMBER OF EMPLOYEES INVOLVED, DIVIDED AS BETWEEN VOUCHERED AND UNVOUCHERED.

2. BOARD OF REVIEW HERE IS RECOMMENDING AN ORDER WHICH YOU SHOULD PUT INTO EFFECT IMMEDIATELY, CONFORMING ALLOWANCES TO AMBASSADOR'S PRESENTLY ESTABLISHED RATES OF \$1912 AND \$1412 IN PLACE OF \$2000 AND \$1500. YOUR BOARD WILL ALSO BE CHARGED WITH THE RESPONSIBILITY OF ASCERTAINING ANY FURTHER CHANGES MADE BY THE AMBASSADOR IN THE ALLOWANCES AND PLACING THOSE CHANGES INTO EFFECT UPON APPROVAL OF THE STRATEGIC SERVICES BOARD.

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25 AUG 45

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HJD OGD JSM
INITIALS OF "RELASING" OFFICER

SECRET

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Form 69 (Revised)

OFFICE OF STRATEGIC SERVICES

OFFICIAL DISPATCH

DATE September 7, 1944
FROM HAWOI, CHUNGKING

TO OFFICE OF STRATEGIC SERVICES

PRIORITY

ROUTINE

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(FOR INFORMATION)

(FOR ACTION)

DIRECTOR, SECRETARIAT, MAGRUDER,
BIGELOW, FETO, SPECIAL FUNDS,
SI, REPRODUCTION

BOARD OF REVIEW

U. S. GOVERNMENT PRINTING OFFICE 16-37883-1

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#2087. Donovan for Diamond and Sears, McGhee for Leete,
from Coughlin #387 to Calcutta.

Will you please authorize a 3-month extension of the allotment for 202, in its present form? The funds paid into ACFETS are paying off, but still no results from those spent for SACO; 2 medium-sized units are forward at the present time and it is necessary that we continue to finance them until they pay off or until we call them back. Kunming needs extra buildings; with our own money we can construct these more rapidly and with less expense. An extra warehouse place is needed for the SI groups and for the Reproduction unit. Gunnar* received 90 to 1 for rupees on the 4th and SOS receives 40 to a dollar. I would rather do the construction on our own money as it is all United States money anyway, and in addition SOS says that if they handle the construction, OSS will ultimately be charged for it, regardless.

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* Received also as GUIMAC.

TJR: 9/8/44 9:21 AM

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22 June 1944

MEMORANDUM

TO : Chief, Special Funds Branch
 SUBJECT : Cashing Checks

1. The attached recommendation of the Board of Review with reference to cashing checks has been approved by the Assistant Director.
2. Will you please take the necessary steps to announce this policy to the agency.

For the Board of Review:


 C. M. BEARS, JR.
 Lt. Colonel, AUS
 Chairman.

Attachment

CMS, Jr/011

cc: Director/
 Ensign Donovan

See Branch Order #2 - Special Funds

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Board of Review

22 June 1944

Board of Review

Mr. Thrun

Colonel Buxton has asked that the attached memorandum from Colonel Holdahl be referred to you for your recommendation on paragraph 1.

Robert Thrun
Assistant to the
Executive Officer

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Two of Review

Colonel Doering

22 June 1944

Mr. Thrun

Colonel Buxton desires your recommendations on paragraph 2 of the attached memorandum. The original has been sent to the Board of Review for its recommendation on the first paragraph.

Robert Thrun

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OFFICE OF STRATEGIC SERVICES

Washington, D. C.

MEMORANDUM

8 March 1945

TO: List S and all Branch Chiefs and Office Heads

SUBJECT: Financial Evaluation of Branch Projects

1. The Basic Directive of the Board of Review provides, in respect of domestic finances, that the Board has authority to require reports to be made to it (at such time as it may direct) on expenditures made in carrying out any OSS projects. The Board has the further authority to evaluate existing projects in terms of the expenditures involved, and to make recommendations to the Director, following such evaluation, concerning such projects.

2. The Board of Review has determined that it will at this time call for such reports and will undertake the evaluation of existing projects. The Board will notify you in several days time, by memorandum, of the specific information which it desires to have concerning expenditures being made on current projects. The Board's authority in this respect will not be limited to those projects which may have been presented to it in the past for recommendation, but will include all projects now being carried out which have called for or will call for the expenditure or inter-agency transfer of \$5,000 or more.

3. I am in full accord with the Board's intentions to make such a review. All Branches, offices and individuals are directed to cooperate with the Board to the utmost in furnishing to it such information as it may require for this task.

Wm. J. Donovan
 William J. Donovan
 Director

(65798)

CONFIDENTIAL

CONFIDENTIAL*Frank J. Penner*

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

MEMORANDUM

8 March 1945

TO: List S and All Branch Chiefs and Office Heads

SUBJECT: Approval of Projects Based on Planning Group Programs

You will have noticed that the Overall Programs of the Planning Group have provided and will continue to provide that budgets incidental to the approved plans set forth therein must be prepared under OSS regulations.

I should like to remind all of you that an integral and essential part of the procedure in requesting funds is the submission of the request to the Board of Review for their recommendation to the Director. You should bear this in mind in working out your plans under the approved Planning Group programs.

It should also be pointed out that whether or not a Planning Group program spells out that budgets must be prepared under OSS regulations, the approval of the program does not constitute a justification for the expenditure of funds until the required submission is made to the Board of Review in accordance with the Board of Review's Administrative Bulletin Number 1, dated 29 June 1944.

William J. Donovan

William J. Donovan
Director

(65796)

CONFIDENTIAL

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OFFICE OF STRATEGIC SERVICES
Washington, D. C.

GENERAL ORDER
NUMBER: 75-13, Supp. 1
ISSUED: 27 April 1945
EFFECTIVE: 1 Feb. 1945

TO: List S

SUBJECT: Per Diems and Allowances to Members of the
Military and Naval Forces attached to OSS

There is hereby approved the recommendation of the Board
of Review that there be added to General Order 75-13,
the following paragraph 2.

2. In the case of enlisted personnel in
civilian clothes who are not receiving
Government rations and quarters, additional
living allowances or per diems may be paid
in such amounts as shall be approved as
necessary by the Strategic Services Officer,
upon recommendation of the Theater Board
of Review, or by the Chief of Mission in
Neutral countries.

Charles S. Cheston
Charles S. Cheston
Acting Director

(69355)

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OFFICE OF STRATEGIC SERVICES
Washington, D. C.

GENERAL ORDER

NUMBER: 75-13

ISSUED: 7 December 1944

EFFECTIVE: 7 December 1944

TO: LIST S

SUBJECT: Per Diems and Allowances to Members of the
Military and Naval Forces attached to OSS

The following recommendation of the Board of Review is
hereby approved:

1. Army and Navy personnel (officer or enlisted),
whether in uniform or in civilian clothes, attached
to OSS in Theaters of Operation or in neutral coun-
tries, shall be allowed per diems or quarters and
subsistence in conformity with standard Army or
Navy practice under similar circumstances.

William J. Donovan
William J. Donovan
Director

(58509)

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OFFICE OF STRATEGIC SERVICES

Washington, D. C.

GENERAL ORDER

NUMBER: 75-12
ISSUED: 9 September 1944
EFFECTIVE: 9 September 1944

TO: LIST S

SUBJECT: OSS, ETO Fixed Allowances to Personnel for Rent
and Entertainment

The following recommendation of the Board of Review is
hereby approved:

"All fixed allowances for rent and enter-
tainment previously authorized for OSS staff
personnel in the European Theater shall be dis-
continued as of 1 October 1944."

Charles S. Cheston
Charles S. Cheston
Acting Director

(51747)

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OFFICE OF STRATEGIC SERVICES
 Washington, D.C.

GENERAL ORDER
 NUMBER: 75-11
 ISSUED: 21 August 1944
 EFFECTIVE: 21 August 1944

TO: List S

SUBJECT: Expenditures for Necessary Entertainment in Continental United States

1. Personnel of OSS may be reimbursed for reasonable expenses incurred in the continental United States, upon the prior written authorization of the Office or Branch Chief concerned, in the necessary entertainment of distinguished guests of the agency, including representatives of foreign governments. Such expenses may include the entertainment of key personnel of this agency whose presence is necessary to the purpose to be served. If the object of the entertainment is confidential in nature, reimbursement should be made from Special Funds; if the object of the entertainment is not confidential in nature, reimbursement shall be made from vouchered .002 funds.
2. Reimbursement for expenses incurred in the continental United States for the purchase of confidential information, including reasonable and necessary entertainment for that purpose, shall continue to be governed by the general provisions of General Order No. 14. Entertainment for the purpose of securing confidential information is literally that and nothing else. The necessity for such expenditures must be clear in every case, responsibility resting with the officer requisitioning the funds.
3. No reimbursement shall be made for any expenses in the continental United States for entertainment other than as provided above, except in the discretion of the Director, Assistant Director or the Executive Officer, who will authorize or approve such expenses only in clearly justifiable cases. All other entertainment shall be items of personal expense to be borne by the individuals concerned.
4. All disbursements made for the above purposes shall be periodically reviewed by the Office of General Counsel, which shall report thereon to the Director.

G. Edward Buxton
 G. Edward Buxton
 Acting Director

(50014)

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OSS Form 4001b

DATE 8/1/44

EJP

TO: MR. THRON

For your information & files.

J. B. D. ↑

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Office of the General Counsel

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14 October 1944

MEMORANDUM

TO: Board of Review
 FROM: General Counsel
 SUBJECT: Post Mercury Co., Inc.
Western Contingents, Inc.
Metropolitan Motors Overseas

1. I have discussed with the Director your memorandum dated 8 October 1944 concerning the above.

2. The Director has asked me to advise you that with respect to (a) Post Mercury Co., Inc., it has no longer the status of a project and no review is required; (b) Western Contingents, Inc., any future requests for funds coming within the Board's jurisdiction will be directed to the Board; and (c) Metropolitan Motors Overseas, its affairs are being liquidated and a review would not seem to serve any purpose.

(Signed) James B. Donovan

James B. Donovan

cc: Col. Doering
 Mr. Sulloway
 Mr. Lomihan
 Mrs. O'Donnell (Files)

JBS:jti

*Board of Review 14,948***SECRET**

x Post Mercury Co.
 x Western Continents Inc.
 1 August 1944

Board of Review
 Attention: Colonel Sears, Chairman
 General Counsel

x Metropolitan Motors
Business

Post Mercury Co., Inc.
Western Continents, Inc.
Metropolitan Motors Overseas

1. I have discussed the above today with General Donovan, who directed that at this time the Board of Review need not review their affairs.

2. He stated, however, that I should review the matter in another month or so and see whether these matters would then be continuing in existence and would be "projects". If so, he stated, he would wish their affairs reviewed by the Board.

James E. Donovan

cc: Col. Boering - Maj. Lee
 Mr. Thrun

JED/jtt

SECRET

Board of Review 14,970
1 Form
1 Approved.

CONFIDENTIAL
OFFICE OF STRATEGIC SERVICES
WASHINGTON, D. C.

25 July 1944

MEMORANDUM TO: General Donovan

SUBJECT: Recommendations of the Board of Review.

I met this morning with the members of the Board of Review to discuss several questions relating to the form in which approved recommendations of the Board should be issued and the procedure for handling them. Our conclusions were as follows:

1. That approved recommendations of general application should be issued as general orders in a designated number series signed by the Director and not, as at present, as administrative bulletins. This will eliminate any doubt as to the status of such directives and will conform to our established system of general and special orders. Administrative bulletins of this character which have already been issued will be redesignated general orders in this series.

2. Administrative bulletins of the Board of Review will be either (a) announcements relating to the organization and procedures of the Board, or (b) opinions or background discussions supporting recommendations of the Board which, it is felt, should be given general circulation.

3. Where general orders are to be issued, proposed orders will normally be submitted by the Board together with its detailed recommendations. In appropriate cases the detailed recommendations will be issued simultaneously with the order as an administrative bulletin. The order will normally begin with the following sentence:

"The following recommendations of the Board of Review are hereby approved."

4. Some discussion was also held on the procedure to be followed for notifying those concerned of action taken by the Director on recommendations of the Board of Review which are not to be circulated to the Agency, but of which notice is to be given to the particular branches concerned, e.g., SI and Special Funds. It is now the practice to return to the Board of Review the original document which it has submitted to the Director with his written decision noted thereon. This is accompanied by a memorandum of action taken from the Executive Office to the Board of Review, with copies to the General Counsel's Office, the Secretariat, and the Director's files. Special Funds Branch has recently raised the

CONFIDENTIAL

CONFIDENTIAL

25 July 1944

General Donovan

question whether it should not have the approved original in its files in cases where it is asked to pay out money on this authority. I stated my opinion that it would be best if we had in this Agency the general rule which is now being followed in the White House, i.e., to collect in the Director's file all authorizations and approvals which the General has signed, so that these can be readily located in one place at any future time. Until such a policy is established, however, I can see no objection to the approved originals of this series being lodged with the Board of Review. It was the agreement of the meeting that with your approval this should be done and that the Board of Review would notify Special Funds Branch of all pertinent recommendations which you have approved. Both Colonel Rehm and Mr. Goddard will be satisfied with this procedure if you will first authorize Special Funds Branch to make payments on such notification. Colonel Rehm expressed the willingness of the Board of Review to return its file of approved originals to the Director if at any time it should be decided as a matter of policy to collect this type of document in the Director's file.

Notification to the branches concerned of action taken by the Director is, of course, normally made by the Director's Office. The Board of Review feels, however, that in the case of its recommendations it would be best for notification to be made by the Board, since it knows all of the parties concerned and has discussed the matter with them. This seems to me to be reasonable, and it is proposed in such cases that the Executive Office, in notifying the Board of Review of action taken, will request it in turn to notify others in the Agency who are concerned.

5. Will you kindly indicate whether the foregoing procedure has your approval.


CONFIDENTIAL

*Board of Review 14,967***CONFIDENTIAL**

2 August 1944

*X Agents**X Compensation*

MEMORANDUM TO: THE CHAIRMAN, BOARD OF REVIEW

As I indicated to you in our telephone conversation this afternoon, General Donovan, Colonel Euxton and Mr. Cheston have agreed that in accordance with the previous recommendation of the Executive Committee a ceiling of \$5000 per annum should be established on the additional compensation paid to military or naval personnel who have been assigned to a mission designed to operate behind enemy lines.

They further agreed that the Board of Review should investigate and arrive at a decision on each case where additional compensation is now being paid, with reference to the Director in any case where the branch objects to the ruling of the Board.

I am returning herewith the recommendations of the Board so that they can be revised in accordance with the above.

A. W. Sulloway

Attachment

*Thorn***CONFIDENTIAL**

AWIS:JMR

OSS Form 4001b

DATE 10 July 1944TO: The Director

There is no legal objection
to our adopting such policies, so
long as the "agents" are expected
to do extra-hazardous work, behind
enemy lines, etc.

✓cc: Mr. Thrun

S.B.D.
J.B.D.Out
ca
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Office of the General Counsel

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CONFIDENTIAL

OFFICE OF STRATEGIC SERVICES
Washington, D. C.

13 July 1944

Board of Review 14,967
x Agents
& Compensation

TO: The Director

SUBJECT: Additional compensation of Military and Naval Personnel attached or assigned to OSS.

1. It has come to the attention of the Board of Review that a custom exists in OSS of making payments to certain members of the military services on duty with OSS as additional compensation over and above their military pay and allowance.

2. Authority for this procedure seems to be derived from a meeting of the Executive Committee held on 3 March 1943, though it appears to have existed previously. The minutes of the meeting indicate that the Committee made certain recommendations which seem to the Board to be reasonable. It recognizes the fact that any other procedure may lend itself to abuse, that it may be of doubtful legality, and that it is difficult to defend as a matter of policy.

An example of policy regarding extra compensation for dangerous employment of military personnel, the Army provides that in a Parachute Troop Organization, officers will receive \$100 per month and enlisted men \$50 per month in addition to their regular pay from the time of enrollment in the parachute training course and to continue as long as the man is in an organization where he may be called upon to jump as a paratrooper.

In the Navy an officer or man in the submarine service receives his base pay plus 50% as long as he is attached to a submarine in commission.

3. According to present records, there appear to be approximately 8 officers and 97 enlisted men who are receiving extra compensation. Determining whether or not they are properly receiving such compensation is not within the scope of the Board of Review's activities, but it recommends that these cases be investigated by the Office of Branch Chiefs (in Washington or abroad) concerned, with a view to bringing these payments within the policy which the Board recommends below.

4. This policy is as follows:

A. In cases involving such military personnel as may do the work of agents, additional compensation may be paid to raise the pay of these men to the same amount as that paid American civilian agents for similar work.

CONFIDENTIAL

CONFIDENTIAL

13 July 1944

The Director

B. (1) Military or Naval personnel should receive no extra compensation while in the Continental U. S.

(2) In cases where military personnel is assigned to missions, designed to operate behind enemy lines, originating in the Continental U. S., extra compensation may commence when they are ordered to the POB for transportation and cease upon the termination of the mission.

(3) In cases where military personnel is assigned to duty in theaters abroad, extra compensation would commence only when they are assigned to a mission designed to operate behind enemy lines and cease upon the termination of the mission.

5. The Board feels that in some cases extra compensation has been paid which is in fact allowance for expenses.

It believes that compensation should be kept completely separate from such allowances. Expense allowances are provided for under existing rules.

Furthermore, it recognizes that there may be in existence contractual arrangements contrary to the above recommendations. In this event, we recommend that the proper authority be instructed to adjust or rewrite such contracts at the earliest practicable time.

For the Board of Review:


C. M. SEARS, JR.
Lt. Colonel, AUS
Chairman

CHBS/IL

CONFIDENTIAL

14967

EXCERPT FROM MINUTES OF EXECUTIVE COMMITTEE MEETING HELD IN
COL BUXTON'S OFFICE, ROOM 119, ADMINISTRATION BLDG., 26TH
& E STS., N.W., ON WEDNESDAY, MARCH 3, 1943, AT 2:30 P.M.

PRESENT:

Col. G. Edward Buxton, Chairman

Mr. George K. Bowden
Col. W. Preston Goodfellow
Brig. Gen. John Magruder

Lt. Col. Atherton Richards
Mr. Elmo Roper
Comdr. Wm. E. Vanderbilt

Major C. C. Deering, Jr., Secretary

Colonel Lane Rehm and Lieutenant Duncan C. Lee
present for Item #2.

**2. COMPENSATION AND PER DIEM ALLOWANCE TO
COMMISSIONED OFFICERS AND ENLISTED PERSONNEL.**

This subject was presented by Colonel REHM and
recommendations made by the Committee as follows:

(a). Commissioned Officers on Duty in the U. S.

Colonel REHM stated that no problem arose with
respect to this category since there never had been
occasion to pay such officers more than their regular
Army allowances or salaries.

(b). Commissioned Officers Abroad.

Colonel REHM stated that MIS paid their officers
up to and including \$10 per diem, plus not exceeding
\$400 per month for expense allowances. The Committee
recommended that the same per diem and allowances
should be paid to OSS officers abroad, with the pro-
viso that the payments and regulations to be put into
effect by OSS should not be more liberal than that

of G-2 or any other comparable Army or Navy service. It was suggested that Colonel REHM obtain through Colonel McDonnell the existing regulations of MIL in this connection.

(c). Enlisted Men in Washington.

Colonel REHM stated that in some cases, such as the case of Field Photographic Units in travel status in the United States and certain enlisted men who are required to work in Washington, it was very difficult to live and to properly perform their duties on the allowances provided by the Army or Navy. The Committee recommended that Colonel REHM ascertain the maximum allowances made available by any service of the Army or Navy and conform to such regulations. It was suggested that Colonel REHM ascertain through Commander Smith what allowances were made by the Bureau of Motion Pictures, Navy Department.

Note- At this point Colonel Richards left the meeting.

(d). Undercover Agents, Commissioned or Enlisted.

Colonel REHM pointed out that undercover agents were sent to various places abroad, including enemy-occupied territory. He stated that the draft status of these men varied, some being subject to draft and some not. Colonel REHM requested authority to pay such agents special allowances up to but not exceeding

\$5,000 per annum, including Army or Navy pay. The Committee unanimously recommended approval of this request.

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OFFICE OF STRATEGIC SERVICES
Washington, D. C.

B-1-1 PW-14983

24 July 1944

MEMORANDUM

TO: Board of Review
FROM: R. D. Halliwell, Comdr., USNR
SUBJECT: Special Funds, OSS, Honolulu

1. Authorization for an advance of \$25,000.00 from Special Funds is requested for use of OSS, Honolulu.

2. Until monthly expenditures can be forecast with some degree of accuracy, it is intended that Special Funds be requested as needed.

3. Expenses from Special Funds will include office rent, purchase of operating supplies (i.e. Japanese type), salaries of individuals on unvouchered payroll, etc.

/s/ R. D. Halliwell
R. D. Halliwell
Comdr., USNR

cc: Special Funds

SECRET

SECRET

14, 983

Bd E/Review

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

28 July 1944

TO: The Director

SUBJECT: Special Funds, OSS, Honolulu

1. The Board has considered the attached request from Commander Halliwell for an additional advance of \$25,000.00 from Special Funds. By authority of the Director, \$29,000.00 has been advanced to Commander Halliwell and Special Funds Branch reports that approximately \$20,000.00 was unexpended as of 22 June 1944.

2. Pending a more definite determination of the budgetary needs of Commander Halliwell's mission, the Board recommends:

(a) That a further advance of \$25,000.00 be made to Commander Halliwell from Special Funds, to be accounted for as determined by the Chief, Special Funds Branch.

(b) That vouchered funds not exceeding \$10,000.00 be allocated to Commander Halliwell's mission.

3. Commander Halliwell's memorandum of 24 July 1944 indicates that some of the funds requested are to be spent for rent and operating supplies, which ordinarily should be paid for by vouchered funds. Inasmuch as facilities are available in Hawaii for disbursing vouchered funds, the Board recommends that Commander Halliwell be authorized to use Special Funds only for expenditures which clearly belong in the Special Funds category, under usual OSS rules and practices.

For the Board of Review:



G. M. Sears, Jr.
Lt. Colonel, AUS
Chairman

Ph

SECRET

19 July 1944

14, 983
Bd. Rev. Memo 7/28/44 Starts
to Director, "Special Funds,
OSS, Honolulu"--Comdr.
Halliwell's Mission ARIAT

DIRECTOR

Recommended

1944 JUL 29 PM 6 06

4 6/24

XLIII

OSS

WBO
James B. Donovan

✓ cc: Mr. Thrun

4 August

14,983
B. B. D.

DIRECTOR

Re Rev. Memo 7/28/44 Sears to
Director re Special Funds, OSS,
Honolulu, resubmitted

1. Resubmitted per your
request.

J. B. D.
J. B. D.

✓ cc: Thrun

Top

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the camera field

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SECRET

9 August 1944

Board of Review
E. J. Putzell, Lt. (j.g.) USNR
Special Funds, OSS, Honolulu

We are returning herewith your memorandum of 28 July 1944 entitled Special Funds, OSS, Honolulu, together with recommendation of the General Counsel and initial approval of the Acting Director. The original request of Comdr. Halliwell of 24 July 1944 is also attached.

Please take appropriate steps to notify Comdr. Halliwell of the approval.

E. J. PUTZELL,
Lt. (j.g.) USNR

SECRET

CCs to Major Lee and Ensign Donovan

14, 983

Board of Review **SECRET**

X Honolulu
X Special Funds

9 August 1944

Board of Review
E. J. Putzell, Lt. (j.g.) USNR
Special Funds, OSS, Honolulu

We are returning herewith your memorandum of 28 July 1944 entitled Special Funds, OSS, Honolulu, together with recommendation of the General Counsel and initial approval of the Acting Director. The original request of Comdr. Halliwell of 24 July 1944 is also attached.

Please take appropriate steps to notify Comdr. Halliwell of the approval.

E. J. PUTZELL,
Lt. (j.g.) USNR

SECRET

29 Aug. 1944

- 1) Major Lee
- 2) Acting Director

This embodies changes approved
in substance by the Director
before his departure.


J.B.D.

cc: Mr. Thrun

JBD:rlc

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OFFICE OF STRATEGIC SERVICES

GENERAL ORDER
NUMBER: 9, Revised
SUPPLEMENT NO.
ISSUED:
EFFECTIVE

TO: List S
SUBJECT: Board of Review

General Order No. 9, revised, effective 26 May 1944,
is hereby amended by deleting all present reference to the
Board of Review and substituting the following:

***9. Board of Review**

The Board of Review shall advise the Director with respect to the formulation of policies, or, and the direction of, all OSS finances both in Washington and in the field. It shall study, review and make recommendations with respect to:

- (1) All financial controls, records and accountings, as it may deem necessary;
- (2) All proposed expenditures of un-vouchered OSS funds requiring the approval of the Director or Assistant Director; and
- (3) Such other matters pertaining to OSS finances as the Director may approve.

The Board of Review shall consist of three members, to be assisted by the General Counsel."

Charles S. Cheston
Acting Director

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

28 August 1944

MEMORANDUM

TO: Acting Director
 FROM: Board of Review
 SUBJECT: Basic Directive of Board of Review

1. The basic directive of the Board of Review, dated 31 May 1944, as approved by the Director, stated, in part, as follows:

"... this basic directive will be revised and resubmitted for your approval whenever, in the judgment of the Director or the Board, such revision becomes necessary."

2. Pursuant to the foregoing and oral discussions with the Director, we recommend that the following action be taken:

(a) That the attached revision to General Order No. 9, revised, be approved.

(b) That subparagraphs 3(d) and 4(d) of the basic directive of the Board of Review be amended by deleting the word "shall" in the first lines thereof, and substituting therefor the word "may".

3. The Board believes that the above changes will enable it to retain sufficient authority to perform its proper functions and yet will be a more realistic statement of its objectives.

For the Board of Review:

022
 [Signature]
 Col. H. Searcy, Jr.
 Lt. Colonel, AUS
 Chairman

/s/ ok CSC

SECRET/ABVI1

Attachment
0825/111

15, 36
Board of Review
Attention: Lt. Col. C. M. Sears, Jr.,
Chairman
Executive Office

31 August 1944

Basic Directive of Board of Review

1. Reference is made to your Memorandum of 28 August 1944 relating to the above subject.
2. There is attached copy of supplement to General Order No. 9, revised, which has today been signed by the Acting Director. The original copy of this supplement has been sent direct to Budget and Procedures for issuance.
3. The original copy of your Memorandum dated 28 August 1944, on the face of which the Acting Director has noted his approval, is returned herewith.

Robert Thrum
Lt. (jg) USNR
Asst. to the Executive Officer

SECRET**OFFICE OF STRATEGIC SERVICES**

Washington, D. C.

GENERAL ORDER
NUMBER 78 -
ISSUED
EFFECTIVE

TO LIST B.**SUBJECT: Expenditures For New Activities.**

The following recommendations of the Board of Review is hereby approved:

Pursuant to General Order No. 91

1. Commitment or expenditure of US\$ funds, in the following categories, prior to specific approval of the Director or Assistant Directors, is prohibited.

a. Not already included in a Planning Group annual or special program approved by the Director.

b. Inter-agency agreement or Joint Committee not now in existence.

c. Establishment of an office, headquarters, operation or sphere of activity in any of the following areas:

- (1) Present White Theater
- (2) Present Research Theater
- (3) Germany, Denmark, Norway, Finland, Russia
- (4) Central America, South America or Canada

2. The Deputy Director, Administrative Services, the Deputy Director Personnel and the Chief, Special Funds Branch are directed not to honor requisitions for material, personnel or funds if such requisitions are not in accord with this order.

William F. Holloman
 Director

SECRET

SECRET

- 3 -

8 December 1944

The Director

Office or Branch Chiefs, who occupy key control points such as: -

Chief, Special Funds Branch
 Deputy Director, Administrative Services
 Deputy Director, Personnel

should be instructed not to honor requisitions for funds, personnel or material unless the new activity requiring them had been duly approved.

A draft of a suggested order implementing the above recommendations is attached hereto. We recommend that the order be approved and issued.

For the Board of Review

C. M. Sears, Jr.
 Lt. Colonel, AUS
 Chairman

12/20/44

No. 100-100001

140

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SECRET

- 2 -

The Director

8 December 1944

Our budget document, which is the basis of our request for funds, must be prepared many months before actual expenditures are to be made. A good budget is therefore, at best, an intelligent guess.

It should be made clear to all concerned that, although funds may have been requested in our budget for new types of activity or new territorial operations, such funds may not be spent in the absence of specific Board of Review recommendation and approval by the Director.

The actual preparation and presentation of the OSS annual budget for the purpose of obtaining a Congressional appropriation is clearly the responsibility of the Deputy Director Administrative Services and the Board does not believe that this responsibility should be divided.

In our opinion, present orders and procedures provide reasonable safeguards against improper expenditures for internal programs or operations. We do not feel, however, that there is at present sufficient control of commitments or expenditures for new activities which may not have had your prior approval.

We believe that Office or Branch Chiefs should be instructed not to engage in any new or different type of activity or make commitments to operate in a new area without the specific approval of the Director.

We suggest that any of the following types of commitment or expenditure for new activities or areas prior to specific approval by you upon recommendation of the Board, be prohibited:

1. Not clearly included in a Planning Group over-all or special program approved by you.
2. Inter-agency agreement or Joint Committee not now in existence.
3. Establishment of an office, headquarters, operation or sphere of activity in any of the following areas:
 - (a) Present Limits Theater
 - (b) Present MacArthur Theater
 - (c) Germany, Denmark, Norway, Finland, Russia
 - (d) Central America, South America or Canada

Financial controls would then become automatic because any such new activity would require money, personnel and material.

SECRET

SECRET15 R36
Bd of Review**OFFICE OF STRATEGIC SERVICES**

Washington, D. C.

8 December 1944

TO: The Director**SUBJECT: Functions and Duties of the Board of Review**

At the end of approximately six months of operation, the Board has taken stock of its position relative to your basic directive and respectfully submits the following comments and recommendations.

Your basic directive, creating the Board of Review (General Order No. 9, Revised, 26 May 1944), stated the broad purposes of the Board as follows: - "The Board of Review shall advise the Director with respect to the formulation of policies for, and the direction of, all OSS finances both in Washington and in the field".

Subsequently, in an attempt to bring to office and Branch (chiefs in understanding of the Board's functions and duties, a memorandum was prepared by the Board and approved by the Assistant Director under date of 20 June 1944. Under this memorandum, Theater Boards of Review were established and are now making recommendations to Strategic Services Officers. We believe these Theater Boards are proving helpful.

The Board in Washington has, to date, made over seventy recommendations to the Director. Many of these recommendations have not, in themselves, involved large sums of money, but have rather tended to bring uniformity throughout the Agency in the handling of problems of pay, allowances, per diem and the like. We believe that your orders resulting from these recommendations have contributed to the morale of this Agency and have saved many man hours by setting a pattern under which administrative officers can operate.

As instructed by you, the Board has scrupulously avoided becoming involved in administration or in the enforcement of the Director's orders resulting from Board of Review recommendations.

The purpose and significance of our annual budget and our Congressional appropriation should be made clear to Office and Branch Chiefs, many of whom, quite understandably, now consider that if it was in the Budget, it has already been approved and no further action is necessary.

SECRET

SECRET**OFFICE OF STRATEGIC SERVICES**

Washington, D. C.

GENERAL ORDER
 NUMBER: 75 -
 ISSUED
 EFFECTIVE

TO LIST S.

SUBJECT: Expenditures for New Activities.

The following recommendations of the Board of Review is hereby approved:

Pursuant to General Order No. 9:

1. Commitment or expenditure of OSS funds, in the following categories, prior to specific approval of the Director or Assistant Directors, is prohibited.
 - a. Not clearly included in a Planning Group over-all or special program approved by the Director.
 - b. Inter-agency agreement or Joint Committee not now in existence.
 - c. Establishment of an office, headquarters, operation or sphere of activity in any of the following areas:
 - (1) Present Nimitz Theater
 - (2) Present MacArthur Theater
 - (3) Germany, Denmark, Norway, Finland, Russia
 - (4) Central America, South America or Canada
2. The Deputy Director, Administrative Services, the Deputy Director Personnel and the Chief, Special Funds Branch are directed not to honor requisitions for material, personnel or funds if such requisitions are not in accord with this order.

022

William J. Donovan

Director

10d

SECRET

SECRET

- 3 -

8 December 1944

The Director


Office or Branch Chiefs, who occupy key control points such as: -

Chief, Special Funds Branch
 Deputy Director, Administrative Services
 Deputy Director, Personnel

should be instructed not to honor requisitions for funds, personnel or material unless the new activity requiring them had been duly approved.

A draft of a suggested order implementing the above recommendations is attached hereto. We recommend that the order be approved and issued.

For the Board of Review


 C. M. Sears, Jr.
 Lt. Colonel, AUS
 Chairman

12/14/44
 No final action
 JMS

SECRET

SECRET

- 2 -

8 December 1944

The Director

Our budget document, which is the basis of our request for funds, must be prepared many months before actual expenditures are to be made. A good budget is therefore, at best, an intelligent guess.

It should be made clear to all concerned that, although funds may have been requested in our budget for new types of activity or new territorial operations, such funds may not be spent in the absence of specific Board of Review recommendation and approval by the Director.

The actual preparation and presentation of the OSS annual budget for the purpose of obtaining a Congressional appropriation is clearly the responsibility of the Deputy Director Administrative Services and the Board does not believe that this responsibility should be divided.

In our opinion, present orders and procedures provide reasonable safeguards against improper expenditures for normal programs or operations. We do not feel, however, that there is at present sufficient control of commitments or expenditures for new activities which may not have had your prior approval.

We believe that Office or Branch Chiefs should be instructed not to engage in any new or different type of activity or make commitments to operate in a new area without the specific approval of the Director.

We suggest that any of the following types of commitment or expenditure for new activities or areas prior to specific approval by you upon recommendation of the Board, be prohibited:

1. Not clearly included in a Planning Group over-all or special program approved by you.
2. Inter-agency agreement or Joint Committee not now in existence.
3. Establishment of an office, headquarters, operation or sphere of activity in any of the following areas:
 - (a) Present Nimitz Theater
 - (b) Present MacArthur Theater
 - (c) Germany, Denmark, Norway, Finland, Russia
 - (d) Central America, South America or Canada

Financial controls would then become automatic because any such new activity would require money, personnel and materiel.

SECRET

OSS Form 1084b

DATE 29 Aug. 1944TO: 1) Major Lee
2) Acting Director

This embodies changes approved
in substance by the Director
before his departure.

JBD
J.B.D.

cc: Mr. Thrun

Recommended
J.B.D.

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FROM: _____

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OSS Form 953

DATE 28 August 1944

re: Ensign Donovan

Will you please see this
through?

C. M. S., Jr.

Out

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BOARD OF REVIEW

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1st of Review**OFFICE OF STRATEGIC SERVICES**

Washington, D. C.

8 December 1944

TO: The Director

SUBJECT: Functions and Duties of the Board of Review

At the end of approximately six months of operation, the Board has taken stock of its position relative to your basic directive and respectfully submits the following comments and recommendations.

Your basic directive, creating the Board of Review (General Order No. 9, Revised, 26 May 1944) stated the broad purposes of the Board as follows: - "The Board of Review shall advise the Director with respect to the formulation of policies for, and the direction of, all OSS finances both in Washington and in the field".

Subsequently, in an attempt to bring to Office and Branch Chiefs an understanding of the Board's functions and duties, a memorandum was prepared by the Board and approved by the Assistant Director under date of 20 June 1944. Under this memorandum, Theater Boards of Review were established and are now making recommendations to Strategic Services Officers. We believe these Theater Boards are proving helpful.

The Board in Washington has, to date, made over seventy recommendations to the Director. Many of these recommendations have not, in themselves, involved large sums of money, but have rather tended to bring uniformity throughout the agency in the handling of problems of pay, allowances, per diems and the like. We believe that your orders resulting from these recommendations have contributed to the morale of this agency and have saved many man hours by setting a pattern under which administrative officers can operate.

As instructed by you, the Board has scrupulously avoided becoming involved in administration or in the enforcement of the Director's orders resulting from Board of Review recommendations.

The purpose and significance of our annual budget and our Congressional appropriation should be made clear to Office and Branch Chiefs, many of whom, quite understandably, now consider that "if it was in the Budget, it has already been approved and no further action is necessary".

SECRET

23 December 1954

MEMORANDUM

TO: Board of Review

FROM: General Donovan

SUBJECT: Functions and Duties of the Board of Review

I have read and agree with your memorandum dated 8 December 1954. I think the Board has performed an invaluable service during the past six months.

As to the Order which you propose, I agree with all that is expressed in it, but I do not believe that it goes far enough. I want the Board to have the over-all jurisdiction and control contemplated by your Basic Directive. This we cannot accomplish by specifying a limited number of matters which the Board is to consider.

I believe that the Board should have an understanding with every Office and Branch of OAS as to the types of its operations requiring the preparation of specific budgets for submission to the Board of Review. I should like to have the Board discuss this matter with each Office and Branch head and keep me advised of the arrangements which are worked out.

After this has been done we will consider whether any further Orders are necessary.

W. J. D.

OSS Form 4001b

DATE 27 Dec. 1944

TO: A. W. SULLOWAY

DIRECTOR'S FILES

Lt. Donovan gave the original
of the attached reply to the
Bd. of Review today. Will you
make the proper disposition
of the Bd. of Review's original
memorandum to the Director.

for
Jean Torgerson

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Office of the General Counsel

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SECRET

- 3 -

16 February 1945

The Director

(d) Records:

We believe that the financial records now maintained are adequate for the purposes of this Agency.

Partially because of the lack of complete cost accounting, but principally because of security and the intangibles involved we believe that any considerable amount of work done in trying to correlate OSS activities with the ascertainable cost thereof would be difficult to justify and that the results would be inconclusive.

It seems to the Board that a different approach is needed to make it function along the lines it believes you want and makes the following suggestion for your consideration: -

That the Board be more thoroughly integrated with the Director's office so that it will be in the situation of constant association with those charged with making decisions about OSS operations and policies. To accomplish this the Board suggests that you reconstitute the Board to include one of the Assistant Directors or the Executive Officer, - and the Deputy Director, Administrative Services and Deputy Director, Personnel.

The Board earnestly hopes that it will have an opportunity to discuss this memorandum with you before your departure.

R. H. D. Goddard

William S. Lenz

Chris [unclear]

SECRET

SECRET

16 February 1945

The Director

(b) Projects:

Almost without exception, the Office and Branch Chiefs with whom we talked said that it would rarely occur to them that their activities fall into categories which are identifiable under the phrase "involving \$5000.00 or more for any one project or purpose". Most of their plans are continuations or extensions of activities which have been going on for a long time, or are considered to be included in approved planning group programs or are new activities originating in the Director's office.

We do not believe that a cost accounting system which makes it possible to relate expenditures in detail to specific so-called projects should be set up, having in mind the time, effort and manpower which would be involved and being convinced that the net result would make no substantial contribution to the success of this Agency or to the winning of the war.

(c) Controls:

We have studied existing controls and are satisfied that they provide reasonable safeguards for the funds allocated to OSS, but that, at the present time, commitments may be made without prior approval of the Director.

The fact that the Bureau of the Budget allocates funds to us on a quarterly basis is a definite restrictive measure since money is made available only when the Bureau is satisfied that we are operating in a prudent manner.

The control exercised by the Deputy Director, Administrative Services as to numbers of employees in the Agency and as to contractual commitments or materiel purchases, makes it highly improbable that funds will be improperly spent in these categories.

The control exercised by the Deputy Director, Personnel, is a further safeguard.

The Special Funds Branch operates detailed controls to make certain that expenditures are in accord with Agency orders, approvals or policies. Control of Special Funds is further strengthened by audits made by a reputable public accountant.

SECRET

SECRET

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

✓ 16 February 1945

TO: The Director

SUBJECT: Functions and Duties of the Board of Review

Pursuant to the instructions contained in your memorandum to the Board of Review dated 23 December 1944, the Board has consulted approximately twenty of the Office and Branch Chiefs with a view to determining how the functions of the Board could be of greater service in the OSS organization.

As might be expected, those consulted were uniformly cooperative in their approach to the problem, but the difficulty of making certain definitions constitutes a serious obstacle to the working of the Board and it is by now convinced that it cannot carry out the terms of its mission as laid down by you under its present set up.

It is quite clear that each Office and Branch Chief has a different idea of what is a project, which is not surprising considering the differences in their activities. Furthermore, their activities in many cases do not lend themselves to being set up in project form. The question also arises as to what extent the normal operations of a Branch should come before the Board for recommendation to you. These questions are illustrative of the subject matter of the discussions we have had. We report herewith on our experience and conclusions.

With specific reference to Paragraph 3, Domestic Finances, of the memorandum of 20 June 1944: -

(a) Policies:

Items (i), (ii) and (iii) have been completed and orders issued by you upon recommendation of the Board.

With reference to item (IV), the Board has not attempted to engage in auditing expenditures.

A few cases have come up under (V), but these must of necessity have individual consideration depending upon the circumstances in each case.

SECRET

16 Feb.

4 PM

MJP -

Col. Sears brought in the attached.
 Said he did not want it held up by sending
 it thru channels and wanted Col. Doering
 to see it, ~~however~~ but he also wanted
 the General to see it as soon as possible.
 I am keeping the carbon of it for OCD
 to see.

LMcG

LOJ D -
 Please let me
 talk to you before
 you see Sears,
 things are good
 @ SE

SECRET

- 3 -

15 February 1948

The Director

(H) Records

We believe that the financial records now maintained are adequate for the purposes of this Agency.

Partially because of the lack of complete cost accounting, but principally because of security and the intangibles involved we believe that any considerable amount of work done in trying to correlate OSS activities with the ascertainable cost thereof would be difficult to justify and that the results would be inconclusive.

It seems to the Board that a different approach is needed to make it function along the lines it believes you want and makes the following suggestion for your consideration: -

That the Board be more thoroughly integrated with the Director's office so that it will be in the situation of constant association with those charged with making decisions about OSS operations and policies. To accomplish this the Board suggests that you reconstitute the Board to include one of the Assistant Directors or the Executive Officer, - and the Deputy Director, Administrative Services and Deputy Director, Personnel.

The Board earnestly hopes that it will have an opportunity to discuss this memorandum with you before your departure.

SECRET

SECRET

- 2 -

The Director

16 February 1948

(b) Projects:

Incl. Quesada
Did the Board tell them what a project is? No, that's why the confusion

Almost without exception, the Office and Branch Chiefs with whom we talked said that it would rarely occur to them that their activities fall into categories which are identifiable under the phrase "involving \$5000.00 or more for any one project or purpose". Most of their plans are continuations or extensions of activities which have been going on for a long time, or are considered to be included in approved Planning Group programs or are new activities originating in the Director's office.

We do not believe that a cost accounting system which makes it possible to relate expenditures in detail to specific so-called projects should be set up, having in mind the time, effort and manpower which would be involved and being convinced that the net result would make no substantial contribution to the success of this Agency or to the winning of the war.

(c) Controls:

What kind of how much

We have studied existing controls and are satisfied that they provide reasonable safeguards for the funds allocated to OSS, but that, at the present time, commitments may be made without prior approval of the Director.

What kind of how much

The fact that the Bureau of the Budget allocates funds to us on a quarterly basis is a definite restrictive measure since money is made available only when the Bureau is satisfied that we are operating in a prudent manner.

The control exercised by the Deputy Director, Administrative Services as to numbers of employees in the Agency and as to contractual commitments or material purchases, makes it highly improbable that funds will be improperly spent in these categories.

The control exercised by the Deputy Director, Personnel, is a further safeguard.

The Special Funds Branch operates detailed controls to make certain that expenditures are in accord with Agency orders, approvals or policies. Control of Special Funds is further strengthened by audits made by a reputable public accountant.

SECRET

SECRET**OFFICE OF STRATEGIC SERVICES**

Washington, D. C.

16 February 1945

TO: The Director

SUBJECT: Functions and Duties of the Board of Review

Pursuant to the instructions contained in your memorandum to the Board of Review dated 23 December 1944, the Board has consulted approximately twenty of the Office and Branch Chiefs with a view to determining how the functions of the Board could be of greater service in the OSS organization.

As might be expected, those consulted were uniformly cooperative in their approach to the problem, but the difficulty of making certain definitions constitutes a serious obstacle to the working of the Board and it is by now convinced that it cannot carry out the terms of its mission as laid down by you under its present set up.

It is quite clear that each Office and Branch Chief has a different idea of what is a project, which is not surprising considering the differences in their activities. Furthermore, their activities in many cases do not lend themselves to being set up in project form. The question also arises as to what extent the normal operations of a Branch should come before the Board for recommendation to you. These questions are illustrative of the subject matter of the discussions we have had. We report here with our experience and conclusions.

With specific reference to Paragraph 3, Domestic Finances, of the Memorandum of 20 June 1944:

(a) Policies:

Items (i), (ii) and (iii) have been completed and orders issued by you upon recommendation of the Board.

With reference to item (iv), the Board has not attempted to engage in auditing expenditures.

A few cases have come up under (v), but these must of necessity have individual consideration depending upon the circumstances in each case.

Some loose rules could be established

SECRET

TAP

155-1078-1151

Date: 22 Feb. 1945

To: Colonel Doering

General Donovan asked that you prepare for the files a memorandum covering the meeting which he had with Colonel Sears and other members of the Board of Review.

Done
EJP

Office of the Executive Officer

at the present time has been very difficult, and I think that it should be continued and extended, but that the only problem is the lack of a proper method for channeling the information fully to the Board so that they can act effectively. He asked Captain Morgan and Mr. Goddard to consider from this standpoint who would be their choice for a third member of the Board and to consider how the work of the Board could be made more effective. Captain Morgan and Mr. Goddard indicated their agreement and undertook to advise the General who they desired as a third member of the Board.

O. C. P., Jr.

CONFIDENTIAL

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

CONFIDENTIAL

TO : The Files

 15, 16, 17
 Board of Review
 DATE: 25 Feb. 1945

FROM : Lt. Colonel Doering

SUBJECT: Functions and Duties of Board of Review 1 FUNCTIONS

1. After reading the memo of 16 February, addressed to the Director by the Board of Review, General Donovan, on 22 February 1945, called a meeting with Mr. Cheston, Lt. Colonel Sears and Lt. Col. Doering.

2. General Donovan stated to Colonel Sears that he had read his memo and that it was apparent, both from the memo and from what the General had heard from others, that Colonel Sears believed that he did not have a full-time job as Chairman of the Board and that he was interested in doing other work. General Donovan further said that he had understood that Colonel Sears had looked for another assignment outside OSS. The General said that he was sorry he had not known this earlier since he would be glad to help Colonel Sears in finding a new assignment, either inside or outside OSS, if that was what Colonel Sears wanted.

3. Colonel Sears stated that it was true he did not feel that he had a full-time job, that he believed that his work on the Board occupied him only two hours a day and that he would like to have a job where he would be busy fifteen hours a day. He said that he had spoken with Colonel Doubleday about a possible assignment in the War Department Budget Division, but that he did not know if it would materialize. Colonel Sears said that he appreciated any assignment that he might obtain in some other unit of the Army might be very uninteresting compared with his work in OSS and that he would be glad to undertake any new assignment that would keep him fully occupied. Mr. Cheston suggested that it might be a good idea to discuss a possible assignment with the State Department in such work as the Combined Intelligence Objectives Committee, as we knew the State Department was interested in obtaining personnel for this work.

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OFFICE OF STRATEGIC SERVICES

Washington, D. C.

- 2 -

The Director

28 February 1945

We respectfully request that you give thought to how you think the foregoing approach to the problem should be implemented, with a view to making it effective before your departure.

For the Board of Review

[Signature]

J. S. Morgan

[Signature]

R. H. I. Goddard

CONFIDENTIAL

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OFFICE OF STRATEGIC SERVICES

Washington, D. C.

*Board of Review
x function*

28 February 1945

TO: The Director
SUBJECT: Board of Review

We refer to our conversation with you, Mr. Cheston and Colonel Boering on 22 February 1945. In the course of it you made it clear that you wished the Board to function and we made it clear that we did not believe it was functioning in the way you expected or wished.

We explained that it seemed to us that we were not sufficiently close to the operating and executive side of the Agency to be able to keep currently informed of what was going on in the way of projected activities and plans for carrying them out, and you told us that you were prepared to take steps so that this situation would be corrected.

Specifically, our recollection is that you agreed to establish with the Chairman of the Planning Group a formal relationship between the Planning Group and the Board of Review so that we would be kept posted on plans under consideration and that you would bring to the attention of the Branch Chiefs the clause in the ever-all Planning Group documents which provides that the budgets incidental to their plans must be prepared under OSS regulations and must, therefore, come before the Board for their recommendation to you.

Furthermore, it was our understanding that you would give the Chiefs of Offices and Branches instructions that we are to be given the opportunity of review and recommendation to you in matters involving evaluation of existing projects. For example, SI Africa and FEI are both established projects, but no attempt has been made to evaluate them in terms of the expenditures involved.

We also recall that you agreed with us that it would be helpful if a formal contact or relationship with the functions of the Deputy Director, Administrative Services and the Deputy Director, Personnel, were established by you.

CONFIDENTIAL

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15,136

OFFICE OF STRATEGIC SERVICES

2 March 1945-

Washington, D. C.

MEMORANDUM TO ALL BRANCH HEADS AND OFFICE CHIEFS.

You will have noticed that the Overall Programs of the Planning Group have provided and will continue to provide that budgets incidental to the approved plans set forth therein must be prepared under OSS regulations.

I should like to remind all of you that an integral and essential part of the procedure in requesting funds is the submission of the request to the Board of Review for their recommendation to the Director. You should bear this in mind in working out your plans under the approved Planning Group programs.

It should also be pointed out that whether or not a Planning Group program spells out that budgets must be prepared under OSS regulations, the approval of the program does not constitute a justification for the expenditure of funds until the required submission is made to the Board of Review in accordance with the Board of Review's Administrative Bulletin Number 1, dated 29 June 1944.

William F. Donovan
Director

Exposure is to O.S.S.

CONFIDENTIAL

CONFIDENTIAL**OFFICE OF STRATEGIC SERVICES****Washington, D. C.****2 March 1945****TO: Chairman, Planning Group****SUBJECT: Relationship between Planning Group and Board of Review**

It seems necessary and desirable to us to have the Planning Group and the Board of Review brought into closer relationship. These two groups, the one responsible for the Agency's over-all plans and programs, the other responsible for reviewing the financial policies and expenditures of Agency funds, can do much to complement the work of each other.

By informal consultation, the Group can and should keep the Board advised of plans which it has under consideration and of the status of those already approved. The Board can advise the Group as to any financial considerations which might be determining or limiting factors in the preparation of plans for its activities.

The Chairman of the Planning Group and the Chairman of the Board of Review should work out a procedure for implementing this suggestion. I suggest that such a procedure might provide for frequent periodic consultations between the members of the Board and of the Planning Group with a view to full exchange of information between them, and that programs, plans and implementation studies be submitted to the Board for comment during the drafting stage. The Planning Group might also find it feasible to invite the members of the Board of Review to certain of its sessions, especially those at which reports by returning personnel on OSS operations are being made or when the financial aspect of over-all programs may be under consideration by the Group.

William J. Donovan
Director

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- 2 -

d. Status of project - whether in planning stage, recruiting stage, training stage, in operation or discontinued entirely.

e. If project is in operation, statement of accomplishments to date.

f. If project is in planning, recruiting or training stage, estimate of date when it will be in operation.

g. Expenditures so far made on project and estimate of future rate of expenditure.

h. Inventories, by items and dollar value, of materials on hand for carrying out the project.

i. Estimate of value of any funds, material or personnel, furnished by any outside agency for the project, for which no expenditure of OSS funds will be required.

j. Estimate of termination date of project.

4. For the purposes of this request, a project shall be regarded as any activity, whether carried on by an individual or a group, which represents a specific plan for action other than the day to day or routine operations of the branch or office. It does not include, for the purposes of this request, any plan originating in and being carried out in a Theater, if funds therefor are drawn in the Theater exclusively. However, if funds for any part of a project are being drawn or have been drawn in the United States, then such project should be covered by the report called for by this memorandum.

A project need not be included in the report if it does not and will not call for the expenditure of \$5,000.00 or more.

CONFIDENTIAL

CONFIDENTIAL
 THE BOARD OF REVIEW

in the memorandum dated _____
 with reference to the evaluation by
 of projects calling for the expenditure
 of \$500,000 or more.

provisions of said memorandum, the
 furnish to it, on or before
 the date set forth in paragraph 2,

projects for particular Branch
 review records.)

also requested for any current projects
 if it represents an operation or
 by your branch and has called for
 \$500,000 or more.

with respect to the projects
 follows:

when granted for one and,
 of operations, by whom

involved, including
 immediate responsibility

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OFFICE OF STRATEGIC SERVICES
 Washington, D. C.

13,136

TO: The Chief, _____ Branch
 FROM: The Board of Review
 SUBJECT: _____

1. Reference is made to the memorandum dated _____ March, 1945, of the _____ Director with reference to the evaluation by the Board of Review of current projects calling for the expenditure or inter-agency transfer of \$5,000.00 or more.

2. In accordance with the provisions of said memorandum, the Board of Review requests that you furnish to it, on or before _____ March 1945, the information set forth in paragraph 3, concerning the following projects:

(Here insert listing of projects for particular Branch as shown by Board of Review records.)

The same information is also requested for any current project, even though not listed above, if it represents an operation or activity presently being carried on by your branch and has called for or will call for the expenditure of \$5,000.00 or more.

3. The information requested with respect to the projects described in paragraph 2 above is as follows:

- a. Full description of project.
- b. Authority for project, by whom granted for OSS and, if to be carried out in theaters of operations, by whom granted for the Theater Commander.
- c. Number and names of personnel involved, including Dear Head or other officer having immediate responsibility for project.

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OFFICE OF STRATEGIC SERVICES
 Washington, D. C.

15,136

MEMORANDUM TO ALL BRANCH CHIEFS AND OFFICE HEADS.

1. The Basic Directive of the Board of Review provides, in respect of domestic financing, that the Board has authority to require reports to be made by it (at such time as it may direct) on expenditures made in carrying out any OSS projects. The Board has the further authority to evaluate existing projects in terms of the expenditures involved, and to make recommendations to the Director, following such evaluation, concerning such projects.

2. The Board of Review has determined that it will at this time call for such reports and will undertake the evaluation of existing projects. The Board will notify you in several days time, by memorandum, of the specific information which it desires to have concerning expenditures being made on current projects. The Board's authority in this respect will not be limited to those projects which may have been presented to it in the past for recommendation, but will include all projects now being carried out which have called for or will call for the expenditure or interagency transfer of \$5,000 or more.

3. I am in full accord with the Board's intentions to make such a review. All branches, offices and individuals are directed to cooperate with the Board to the utmost in furnishing to it such information as it may require for this task.

William J. Donovan
 Director

CONFIDENTIAL

CONFIDENTIAL**OFFICE OF STRATEGIC SERVICES**

Washington, D. C.

2 March 1945

15,136

MEMORANDUM TO THE DEPUTY DIRECTOR, PERSONNEL

1. Under the basic directive of the Board of Review, the Board is given authority to review, among other things, all financial policies of OSS, all proposed expenditures or inter-agency transfers of OSS funds involving \$5,000 or more, and all systems of controls maintained with respect to finances. The Board also has the more specific function of reviewing "the types of funds to be used in compensating personnel" and "circumstances under which additional compensation may be paid to military or naval personnel", and to make recommendations concerning such matters to the Director.
2. The Board is convinced that the Deputy Director, Personnel, constitutes, by reason of his concern with the allotment of slots for military personnel and the reassignment of all OSS personnel, and because of his control over personnel procurement, a focal point through which the Board can be better informed concerning the feasibility, so far as the assignment of personnel is concerned, of projects coming before the Board for recommendation. Specifically, the Board would like to be in a position to call upon you, or the sections and offices under your jurisdiction, for your views as to whether allotments for personnel needed for new projects will be available and, if so, whether it is likely that the required personnel can be procured. The Board will then be in a better position to determine the amount of funds to be recommended for such projects.
3. The Board also believes that your position as Deputy Director, Personnel will enable you to give to it information concerning the use of personnel which will enable it to conclude what activities are diminishing or being discontinued, which activities are growing in importance, and what projects are likely to be justifiable financially. To implement this the Board would like to receive from you periodically such reports as you may be able to make concerning trends in the reassignment or procurement of personnel; to give a few examples: - to what theaters, to what branches, to what projects are shifts of personnel taking place; what recruitment is being given priority; which activities are being cut down in personnel and which are growing.
4. I am in full agreement with the Board's desires on these matters and I understand that you have expressed to the Board your complete willingness to furnish such information as you can in connection with the foregoing. I hope that you will make every effort to do so. You should also feel free to call upon the Board of Review to give you such information as it can on projects which it has considered and its views on the financial aspect of any personnel matters coming within your jurisdiction.

William J. Donovan
Director

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OFFICE OF STRATEGIC SERVICES

15,196

Washington, D. C.

3 March 1945

MEMORANDUM TO THE DEPUTY DIRECTOR, ADMINISTRATIVE SERVICES

1. Under the basic directive of the Board of Review, the Board is given authority to review, among other things, all financial policies of OSS, all proposed expenditures or inter-agency transfers of OSS funds of \$5,000 or more and all systems of controls maintained with respect to finances.

2. The Board is convinced that the Deputy Director, Administrative Services, constitutes, by reason of his concern with the budgetary ceiling on personnel and his control over procurement and supply, a focal point through which the Board can be better informed concerning the feasibility of projects coming before the Board for recommendation. Specifically, the Board would like to be in a position to call upon you, or the branches or offices under your jurisdiction, for your advice as to whether assignments of personnel for new projects is allowable within the ceilings established, whether supplies and required materials will be available. The Board would then be in a better position to determine the amount of funds to be recommended for such projects.

3. The Board also believes that your position as Deputy Director, Administrative Services, will enable you to give to it information concerning the use of supplies and materials which will enable it to conclude what activities are diminishing or being discontinued, what activities are growing in importance, and what projects are likely to be justifiable financially. To implement this the Board would like to receive from you periodically such reports as you may be able to make concerning trends in the procurement of supplies. To give a few examples: - to what theaters, to what branches, to what projects are substantial amounts of supplies being sent, in which activities is the procurement of supplies being cut down and for which is it growing.

4. I am in full agreement with the Board's desires on these matters and I understand that you have expressed to the Board your complete willingness to furnish such information as you can in connection with the foregoing. I hope that you will make every effort to do so. You should also feel free to call upon the Board of Review to give you such information as it can on projects it has considered and any personnel or supply matters coming within your jurisdiction.

William J. Donovan
Director

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15,136

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

3 March 1945

TO: The Director
FROM: The Board of Review

The Board of Review submits to you for your consideration and signature the following documents designed to implement the Board's memorandum of 28 February 1945, which was sent to the Acting Director for his consideration: -

1. Memorandum to the Deputy Director, Administrative Services. This has been discussed with and approved by Mr. Ream.
2. Memorandum to the Deputy Director, Personnel. This has been discussed with and approved by Mr. O'Gara.
3. Memorandum to all Branch Chiefs, calling upon them for cooperation with the Board in the evaluation of existing projects calling for the expenditure of \$5,000 or more.
4. Form of memorandum to be sent by the Board of Review to each Branch Chief, calling for certain information with reference to current projects in order that the Board may evaluate such projects.
5. Memorandum from the Director to the Planning Group outlining the manner in which the Board of Review and the Planning Group can coordinate their activities. This has been discussed with and approved by Colonel Bruce.
6. Memorandum to Branch Chiefs pointing out that projects prepared under Planning Group over-all programs must be submitted to the Board of Review. This has been discussed with and approved by Colonel Bruce.

R. H. J. Goodard
C. D. Rose

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OFFICE OF STRATEGIC SERVICES

Washington, D. C.

5 March 1945

TO: Mr. Charles S. Cheston
FROM: Board of Review

There are attached hereto the Board of Review documents discussed with you on Saturday, as follows: -

1. Memorandum designed to implement the Board's memorandum of 28 February 1945.

2. Memorandum on personnel for the India-Burma Theater Board of Review. *see list. 14803*

It would be appreciated if these could be submitted to the Director for his consideration and approval.

Revisions have been made to incorporate the suggestions made by you in our conference.

Captain Morgan had approved the documents as they were submitted to you on Saturday. Although he has not seen the revisions made as a result of that conference, we are certain he would have no objections to them.

For the Board of Review

R.H.J. Goodard
C. A. Bane

CONFIDENTIAL

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15,136

Ptd of Research
 Date: 49
 5 April 1945

TO : The Board of Review
 Atten: Mr. J. S. Morgan, Chairman
 FROM : Executive Office

There is attached herewith the original of your memorandum of 3 April to the Director, dealing with points to be stressed by the Director to the Strategic Services Officer and the Theater Board of Review in each Theater while on his trip to the European and Mediterranean Theaters of Operation.

You will note that the Director has indicated his approval on the face of your memorandum.

E. J. Putzell, Jr.
 Lieut. (jg), USNR
 Acting Executive
 Officer

cc: Director's Files ✓
 Secretariat
 General Counsel

CONFIDENTIAL

CONFIDENTIAL15,136
approved
4/4/45
H WJD

3 April 1945

TO: The Director
FROM: The Board of Review

In connection with your coming trip to the European and Mediterranean Theaters of Operation, the Board of Review would be appreciative if you could find the opportunity of stressing to the Strategic Services Officer and the Theater Board of Review in each Theater the following points:

- (1) That as the course of the war changes OSS objectives from purely military to those concerned with occupation and post-hostilities, the Theater Board of Review should be active in reviewing the status of approved projects to determine their present value and relationship to the new objectives of the Theater;
- (2) That the members of each Theater Board of Review, though not necessarily spending full time in their positions, should nevertheless devote sufficient time to the financial problems of the Theater so as to be able to assure themselves and the Strategic Services Officer that the functions of the Theater Board of Review will be properly discharged; and
- (3) That each member of the Theater Board of Review should attempt to familiarize himself with the overall plans and operations in his Theater and should have the opportunity of doing so, so that any new projects can be judged on the basis of the relevance to the overall purposes of the Theater organization.

Certain specific problems are being considered between Washington and the Theater Boards of Review, but they are being made the subject of individual communications with each Theater Board.

For the Board of Review:

J. S. Morgan
J. S. Morgan
Chairman

CONFIDENTIAL

CONFIDENTIALGeneral Donovan
Mr. Cheston

-3-

15 June 1945

6. The Board wishes to recommend that the Theater Boards of Review continue in existence, as part of the Strategic Services Officers' organization. Their task would be that of assisting the Strategic Services Officer and the Fiscal Officer in maintaining the financial controls within the Theater. A review of the recommendations of such Theater Boards of Review does not require the existence of a Board in Washington, since such a review could be and probably should be made by the Assistant Director, assisted by the Executive Officer.



J. P. Morgan
Chairman, Board of Review



R. H. I. Goddard
Member, Board of Review



C. A. Bane
Lieutenant, USNR
Member, Board of Review

CONFIDENTIAL

CONFIDENTIALGeneral Donovan
Mr. Whiston

15 June 1948

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fiscal year will in fact be made during the next few days. This will come about as the result of consultations with each branch chief on the amount which will be available to his branch for expenditure, followed by his statement of how he proposes to expend that amount. Once the decision is made on the branch chief's proposal, there will in fact have been established a determination of what activities will continue and which will be discontinued. There will then be small opportunity for any new projects or activities beyond those proposed by the Branch Chiefs and approved by the Director's Office.

5. The Board of Review was not set up to perform and does not believe that it is able to perform on its present basis the task outlined in (a) above. It was set up to make recommendations on policy decisions required in the case of new expenditures and new activities, but by reason of the circumstances set forth in (b) above, the number of such decisions which will have to be made during the coming fiscal year will be at a minimum. There will be necessity be a few such items, since the Agency will not be stagnant, and it seems that these decisions should be made by the Director's Office rather than by any unit established to maintain fiscal control. However, the number of such decisions, it seems to the Board, would not require the full time of a Board of three men but could in fact be handled by the Director or Assistant Director, perhaps with an initial screening by the Executive Officer.

6. Under all the circumstances the present members of the Board of Review would like to recommend that the Board of Review be abolished and that instead the financial control of the Agency consist of the following:

(a) A small unit probably within Services to pass on all expenditures and make certain that monies are available to the requesting Branch and are being spent at the proper rate; and

(b) That policy decisions on any new substantial expenditures be made by the Director's Office, with any screening functions performed by the Executive Officer.

7. We would recommend that the dissolution of the Board of Review take place at the time the new controls are made effective.

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CONFIDENTIAL**OFFICE OF STRATEGIC SERVICES**

Washington, D. C.

15,136

BdS/Her

15 June 1945

TO: General Donovan
Mr. Chaston

FROM: The Board of Review

1. The Board of Review has been giving consideration to its own functions for the coming fiscal year in the light of the new limited appropriation of \$20,000,000 and the circumstances which that appropriation has created.

2. Certain general principles seem to the Board to be indubitable:

(a) In view of the division of the \$20,000,000 appropriation among the various branches in specific amounts as recommended by Mr. Chaston's committee and approved by the Director, the primary control which must be exercised during the coming fiscal year will be of an accounting and auditing nature. This control must take the form of a small office or group of men who will be cognizant of every expenditure made by every branch and will be in a position to determine whether that expenditure is within the amount allotted to the branch and, just as important, whether the branch is spending at a rate which would exhaust its allotment before the close of the fiscal year. This check must be made on absolute pre-requisite to the expenditure of funds and must be done accurately and conscientiously. It seems to the Board of Review that the only place for such a unit is within the Services Office, perhaps in the Budget and Procedures Branch or within the Finance Branch, now that both the unvouchered and vouchered funds units have been united under Colonel Rehm.

(b) The necessity for a policy control of OSS expenditures, apart from the type of control referred to in (a) above, will be less apparent during the coming fiscal year. In the first place, the fiscal control over expenditures will automatically eliminate a number of items which might otherwise have gone to the Director's Office for review and determination. Secondly, and more important, the principal policy decisions which would have to be made during the coming

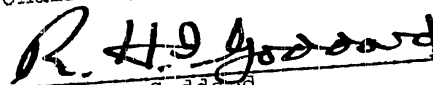
CONFIDENTIAL

CONFIDENTIALGeneral Donovan
Mr. Cheston

-3-

15 June 1945

6. The Board wishes to recommend that the Theater Board's of Review continue in existence, as part of the Strategic Services Officers' organization. Their task would be that of assisting the Strategic Services Officer and the Fiscal Officer in maintaining the financial controls within the Theater. A review of the recommendations of such Theater Boards of Review does not require the existence of a Board in Washington, since such a review could be and probably should be made by the Assistant Director, assisted by the Executive Officer.


J. S. Moran
Chairman, Board of Review

R. H. I. Goddard
Member, Board of Review

C. A. Bane
Lieutenant, USNR
Member, Board of Review**CONFIDENTIAL**

CONFIDENTIALGeneral Donovan
Mr. Cheston

-2-

15 June 1945

fiscal year will in fact be made during the next few days. This will come about as the result of consultations with each branch chief on the amount which will be available to his branch for expenditure, followed by his statement of how he proposes to expend that amount. Once the decision is made on the Branch Chief's proposal, there will in fact have been established a determination of what activities will continue and which will be discontinued. There will then be small opportunity for any new projects or activities beyond those proposed by the Branch Chiefs and approved by the Director's Office.

3. The Board of Review was not set up to perform and does not believe that it is able to perform on its present basis the task outlined in (a) above. It was set up to make recommendations on policy decisions required in the case of new expenditures and new activities, but by reason of the circumstances set forth in (b) above, the number of such decisions which will have to be made during the coming fiscal year will be at a minimum. There will of necessity be a few such items, since the Agency will not be stagnant, and it seems that these decisions should be made by the Director's Office rather than by any unit established to maintain fiscal control. However, the number of such decisions, it seems to the Board, would not require the full time of a Board of three men but could in fact be handled by the Director or Assistant Director, perhaps with an initial screening by the Executive Officer.

4. Under all the circumstances the present members of the Board of Review would like to recommend that the Board of Review be abolished and that instead the financial control of the Agency consist of the following:

(a) A small unit probably within Services to pass on all expenditures and make certain that monies are available to the requesting Branch and are being spent at the proper rate; and

(b) That policy decisions on any new substantial expenditures be made by the Director's Office, with any screening functions performed by the Executive Officer.

5. We would recommend that the dissolution of the Board of Review take place at the time the new controls are made effective.

CONFIDENTIAL

CONFIDENTIAL
OFFICE OF STRATEGIC SERVICES

Washington, D. C.

15 June 1945

TO: General Donovan
Mr. Cheston *cc*

FROM: The Board of Review

1. The Board of Review has been giving consideration to its own functions for the coming fiscal year in the light of the new limited appropriation of \$20,000,000 and the circumstances which that appropriation has created.

2. Certain general principles seem to the Board to be indubitable:

(a) In view of the division of the \$20,000,000 appropriation among the various branches in specific amounts as recommended by Mr. Cheston's committee and approved by the Director, the primary control which must be exercised during the coming fiscal year will be of an accounting and auditing nature. This control must take the form of a small office or group of men who will be cognizant of every expenditure made by every branch and will be in a position to determine whether that expenditure is within the amount allotted to the branch and, just as important, whether the branch is spending at a rate which would exhaust its allotment before the close of the fiscal year. This check must be made an absolute prerequisite to the expenditure of funds and must be done accurately and conscientiously. It seems to the Board of Review that the only place for such a unit is within the Services Office, perhaps in the Budget and Procedures Branch or within the Finance Branch, now that both the unvouchered and vouchered funds units have been united under Colonel Rehm.

(b) The necessity for a policy control of OSS expenditures, apart from the type of control referred to in (a) above, will be less apparent during the coming fiscal year. In the first place, the fiscal control over expenditures will automatically eliminate a number of items which might otherwise have gone to the Director's Office for review and determination. Secondly, and more important, the principal policy decisions which would have to be made during the coming

DIRECTOR'S OFFICE

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WASHINGTON 25, D. C.15,136
Board of Review
x Functions
x Gen. Order #9

21 June 1945

MEMORANDUM

To: Mr. C. S. Cheston
General Donovan

From: Lt. Colonel Doering

*Miss Reed
Hold under
I see General
Donovan on
his return
CSC*

I agree with the recommendations of the Board of Review, except that I believe the Control Unit should not be within either the Budget and Procedures or the Finance Branch. I think it should be a sort of a small General Accounting Office unit and should report directly either to the Director or to the Director through the Deputy Director - Administrative Services.

O. O. O. Jr.

CONFIDENTIAL

Top ↑

to: General Donovan 6/16/45

For your information.

See last
CD

C.S.C.

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To

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Director's Office

OSS Form 3054

(3306)

Even No. rolls

Exposure is 1/25 @ f.6.3

Top ↑

7/18/45

To: Mr. Putz

Mr. Cheston has taken
care of this with the
General.

M. A. R.

Director's Office

USS Form 205
(3308)

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es of

Even No. rolls

Exposure is 1/25 @ f.6.3

SECRET**RECOMMENDATIONS TO THE DIRECTOR BY BOARD OF REVIEW**

<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>FUNDS</u>
7 June '44	Station W	\$6500.	Vouchered
31 August '44	Tito Mission	50000.	Special
5 July '44	National Archives	20498.	Vouchered
8 July '44	Collingwood	50000.	Special
4 August '44	FM	30000.	Special
6 July '44	X-2	15000.	Special
11 July '44	R & A	15000.	Vouchered
14 July '44	SI	1500.per mo.	Special
23 June '44	Africa 101 (liquidated per recommendation)	35000.	Special
22 June '44	FBQ	235000.	Special
19 July '44	MO - MUSAC	21500.	Special
28 November '44	MO - MUSAC	29800.	Special
2 August '44	Library of Congress	18531.	Vouchered
25 July '44	Commander Halliwell	25000.	Special
	"	10000.	Vouchered
	"	15000.	Special
4 August '44	R & A - Latin America (25 September '44 R & A got direct approval for additional \$25000.)	6250.	Special
2 September '44	Shepherd Project	23000.	Special
4 September '44	Marigold	2500.	Special
8 September '44	France #12	100000.	Special
11 September '44	Security Office	5770.60	Vouchered
11 September '44	Sprinkler system	8000.	Special
14 September '44	Area WA	630000.	Special
28 September '44	Africa SI	25000.	Special
27 October '44	Message Center	30000.	Vouchered
11 October '44	MO - GUAM	18500.	Vouchered
12 October '44	MO - Alaska	5423.25	Vouchered
22 November '44	MO - Guam and Alaska	27500.	Special
13 October '44	Japanese typewriters	47400.	Special
3 November '44	Biographical Records	27200.	Vouchered
	"	29883.12	Vouchered
19 October '44	Pictorial Records	8233.50	Vouchered
25 October '44	Map Equipment	8800.	Vouchered
10 November '44	Detachment F	5160.	Vouchered
14 November '44	Conversion of Generators	5000.	Vouchered
15 November '44	Picture - Washington	5000.	Vouchered
11 December '44	Picture - Alaska	5000.	Vouchered
25 November '44	Enemy Oil Committee	250000.	Special
6 December '44	Iberian Peninsula	250000.	Special
11 December '44	MO - CHI - SRAC	567700.	Vouchered
	"	30000.	Vouchered
	"	9680.	Vouchered
12 December '44	Jap. Language Course	10000.	Special
15 December '44	Conversion of Generators		
15 June '44	Campbell Project		

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SECRET

SECRET15. B6A
Pd + Recv**OFFICE OF STRATEGIC SERVICES**
Washington, D. C.

8 January 1945

TO: The Director
SUBJECT: Board of Review Recommendations

1. For your information, we attach hereto a tabulation of items which have gone to the Director through the Board.

2. As you know, many other recommendations, which involved policies or procedures, rather than specific amounts of money, have been sent up by the Board.

For the Board of Review


C. M. Sears, Jr.
Lt. Colonel, AUS
Chairman

cc: Lt. Col. O. C. Doering

15/ file
1/5/ CSE
1/14/4
NZA
100**SECRET**

SECRET**RECOMMENDATIONS TO THE DIRECTOR BY BOARD OF REVIEW**

<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>FUNDS</u>
7 June '44	Station W	\$6500.	Vouchered
31 August '44	Tito Mission	50000.	Special
5 July '44	National Archives	20498.	Vouchered
6 July '44	Collingwood	50000.	Special
4 August '44	FN	30000.	Special
6 July '44	X-2	15000.	Special
11 July '44	R & A	15000.	Vouchered
14 July '44	SI	1500. per mo.	Special
23 June '44	Africa 101 (Liquidated per recommendation)	35000.	Special
22 June '44	FBQ	235000.	Special
19 July '44	MO - MUSAC	21500.	Special
28 November '44	MO - MUSAC	29800.	Special
2 August '44	Library of Congress	16531.	Vouchered
28 July '44	Commander Halliwell	25000.	Special
	" "	10000.	Vouchered
4 August '44	R & A - Latin America	15000.	Special
	(25 September '44 R & A got direct approval for additional \$25000.)		
2 September '44	Shepherd Project	6250.	Special
4 September '44	Marigold	23000.	Special
8 September '44	France #12	2500.	Special
11 September '44	Security Office	100000.	Special
11 September '44	Sprinkler system	5770.60	Vouchered
14 September '44	Area WA	8000.	Special
28 September '44	Africa SI	630000.	Special
27 October '44	Message Center	25000.	Special
11 October '44	MO - GUAM	30000.	Vouchered
12 October '44	MO - Alaska	18500.	Vouchered
22 November '44	MO - Guam and Alaska	5423.25	Vouchered
13 October '44	Japanese typewriters	27500.	Special
3 November '44	Biographical Records	47400.	Special
	" "	27200.	Vouchered
19 October '44	Pictorial Records	29883.12	Vouchered
26 October '44	Map Equipment	8233.50	Vouchered
10 November '44	Detachment F	8800.	Vouchered
14 November '44	Conversion of Generators	5160.	Vouchered
15 November '44	Picture - Washington	5000.	Vouchered
11 December '44	Picture - Alaska	5000.	Vouchered
25 November '44	Enemy Oil Committee	5000.	Vouchered
6 December '44	Iberian Peninsula	250000.	Special
11 December '44	MO - CBI - SEAC	250000.	Special
	" " "	567700.	Vouchered
12 December '44	Jap. Language Course	30000.	Vouchered
15 December '44	Conversion of Generators	9680.	Vouchered
15 June '44	Campbell Project	10000.	Special

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OFFICE OF STRATEGIC SERVICES
Washington, D. C.

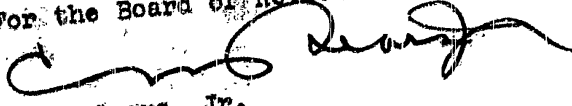
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Bd. of Review
via tabulation
1 Rec commnd

8 January 1945

TO: The Director
SUBJECT: Board of Review Recommendations

1. For your information, we attach hereto a tabulation of items which have gone to the Director through the Board.
2. As you know, many other recommendations, which involved policies or procedures, rather than specific amounts of money, have been sent up by the Board.

For the Board of Review


C. M. Sears, Jr.
Lt. Colonel, AUS
Chairman

cc: Lt. Col. O. C. Doering

SECRET

CONFIDENTIAL

15,186

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

4 August 1944

TO: The Director

SUBJECT: Request for Special Funds for Latin America
Division - R & A

This request in the amount of \$15,000 is made for yearly subscriptions to 40 or 50 Latin American newspapers delivered by air mail. The great majority of these will cost between 2 and 3 hundred dollars each, delivered. Exceptional cases include the Buena Aires subscription (\$1,500.00) and 2 Santiago papers (\$2,000.00). These costs have been verified by checking air mail rates between Washington and above-mentioned cities. They are approximately twice the cost of air express.

Air express delivery has proved to be unsatisfactory due to delays which amount to as much as two months, and it has been determined that air mail is more expeditious, though more expensive by approximately \$7,000 - \$8,000 than express.

In view of the sources of the material and the use made of it, it would seem necessary that it be paid for out of Special Funds rather than vouchered funds. The foregoing facts are based on investigation by the Board arising out of a request submitted by Dr. Langer, Chief of R & A Branch. The Board recommends that you approve the request in the amount of \$15,000 for the fiscal year 1944-1945 for the purpose set forth above.

For the Board of Review:

C. M. Sears, Jr.
C. M. Sears, Jr.
1st. Colonel, AUS
The Board of Review

RECEIVED

CONFIDENTIAL

5 August

Bd Rev Memo 8/4 Sears to Director
re Request for Use Special Funds
By R&A Latin American Division

1. MAJOR LEE
2. ACTING DIRECTOR

No legal objection to such
payments.

J. D. Donovan

cc: Mr. Thran

SECRETARIAT
+ 6/24
1944 AUG 5 PM 3 11
L.H.
OSS

approved -
Charles S. Cheston
9/8

STANDARD FORM NO. 64

CONFIDENTIAL**Office Memorandum • UNITED STATES GOVERNMENT**

TO : Mr. Cheston

FROM : Secretariat

SUBJECT: Board of Review Recommendation

DATE: 8 August 1944

1. Attached for your consideration is a recommendation by the Board of Review on R&A's request for approval of funds for its Latin American Division.

2. This request raises two questions of policy which the Board does not appear to have considered

a) whether the expenditures, amounting to as high as \$2000 per year for a single South American newspaper, are out of proportion to the value of the papers to this agency;

b) whether at least some, if not all, of these papers could be purchased from vouchered funds.

3. The Chairman of the Board of Review has advised the Secretariat orally that the Board did not consider the exploration of the policy questions noted above to be properly within its functions. However it is our belief that unless the Board does consider such policy questions all the relevant facts will not be presented for your decision and therefore we recommend that the Board be requested to supplement its recommendation with additional data on these two points.

A. W. Sulloway
A. W. Sulloway

Attachment

*To Mr. Best Dorian
If you see
no objection to
Sulloway's suggestion
Please request
Board to obtain the data
necessary. etc*

CONFIDENTIAL

CONFIDENTIAL
 SERVICES
 Washington, D. C.

18 August 1944

TO: The Director

SUBJECT: Funds for R & A - Latin America

1. The attached file (our recommendation of 4 August 1944) together with Mr. Sulloway's memo to Mr. Chester was returned to the Board by the Secretariat.

2. The Board has considered both of the points mentioned in (a) and (b) of Mr. Sulloway's memo:

(a) Inasmuch as Dr. Langner, Chief of R & A, had requested the funds and indicated that the papers are necessary to the work of his Branch, the Board does not consider that it is within its province to attempt to determine whether or not R & A should operate a Latin American Division. The Board is satisfied that R & A feels that these papers are necessary.

(b) The Board considered various aspects of the problem of vouchers versus special funds and expressed its opinion that special funds should be used.

For the Board of Review:

G. H. Sears, Jr.
 Lt. Colonel, AUS
 Chairman

Attachments
 CHM/ry/jlh

CONFIDENTIAL

CONFIDENTIAL

- 2 -

- (b) require a proper showing to itself and to the Director in support of a particular item, such as this \$2000 newspaper subscription which on its face appears questionable.

In its recommendation of 4 August, the Board's only comment on this item was that it had satisfied itself, first that the airmail rates are what they were represented to be by Dr. Langer, and secondly, that airmail, though more expensive, is more expeditious than air express.

3. In paragraph 2 (b) the Board replies that contrary to what is suggested in the Secretariat's note to Mr. Cheston of 8 August 1944, it had considered "the problem of vouchered vs. special funds". We do not believe that the Secretariat made its meaning entirely clear on this point. The Board in its recommendation of 4 August 1944 stated its general conclusion that "in view of the sources of the material and the use made of it, it would seem necessary that it be paid by use of special funds rather than vouchered funds". The Board said further that these views were based on an investigation which it had made. It was the Secretariat's view that the Board should state the reasons that led it to this conclusion. These reasons are not self-explanatory and unless stated to the Director, he would be unable to concur or disagree intelligently with the Board's conclusions.

Duncan C. Lee
Duncan C. Lee

cc: Colonel Sears

CONFIDENTIAL

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

CONFIDENTIALTO : *Mr. Cheston*
Colonel Buxton

DATE: 18 August 1944

FROM : Secretariat

SUBJECT: Board of Review's Recommendation on Funds for R&A -
Latin America

1. Attached are:

The Board's original recommendation on this subject
dated 4 August 1944The Secretariat's memorandum to Mr. Cheston
dated 8 August 1944, which was referred to the
Board by Mr. ChestonThe Board of Review's reply to the Director
dated 16 August 1944.

2. With reference to paragraph 2 (a) of the Board's memorandum of 16 August 1944, the Secretariat believes that a fundamental question of policy has been raised. This is on the point of whether an item in the R&A Latin American Division's budget of \$2000 for a single year's newspaper subscription is not out of proportion to the value of the paper to this agency. The Board has replied in effect that it will not look beyond the request of Dr. Langer, the Branch Chief concerned, to have this item included in the budget, and by inference suggests that if it were to look beyond Dr. Langer's request it would be questioning whether or not there should be a Latin American Division in R&A. We do not concur in this view of the Board's function, particularly for the reason stated. We agree that the question of whether an organizational unit of OSS should be set up to perform a particular function is a matter to be determined by the Director and on which the Board has not been asked to make recommendations. We think, however, that the Board has been asked to review broadly on the merits the budget proposed for such a unit and to question any particular item of expenditure which on its face appears questionable. The Board can not, of course, be asked to substitute its judgment for that of the branch chief as to the propriety of all the detailed expenditures that go into the budget. We believe, however, that in the present case the Director did intend that the Board should

- (a) consider and recommend to the Director whether a general budget of \$15,000 of unvouchered funds for the Latin American Division is in general reasonable or unreasonable, and

CONFIDENTIAL

Colonel Doering

CONFIDENTIAL

2 September 1944

In view of the above, I am satisfied that the proposed expenditure is justifiable and that it can properly be made from unvouchered funds. Accordingly, it is recommended that the budget be approved without further delay.

A. W. Sulloway
A. W. Sulloway

CONFIDENTIAL

STANDARD FORM NO. 64

CONFIDENTIAL**Office Memorandum • UNITED STATES GOVERNMENT**

DATE: 2 September 1944

TO : Colonel Doering

FROM : Secretariat

SUBJECT: Proposed Expenditure for Latin American Newspapers

I have talked with Mr. Halperin concerning the attached recommendation from the Board of Review.

1. On the question of the value of these newspapers to OSS, Mr. Halperin pointed out that no other agency in Washington, including CIAA, receives these papers in their entirety. As a result, OSS is the only agency in a position to include in its reports on South America the most current and up-to-date material. On several occasions, according to Mr. Halperin, our possession of these newspapers has enabled us to furnish the State Department and CIAA, in response to a request from these agencies, a complete and thorough analysis on subjects of immediate interest.

2. R&A is not duplicating the work of other agencies in Washington as it alone has trained personnel who can read the Latin American newspapers properly and extract from them the maximum amount of information. Neither the State Department nor CIAA have analysts capable of the thorough and careful study which the Latin American Division can make. Moreover, these other agencies do not attempt to provide the same extensive coverage of Latin American newspapers that is provided by the Latin American Division of R&A.

3. Newspapers such as those included in the proposed expenditure are considered by Mr. Halperin increasingly important as a source of material on South America. Because of the trend of events in South American countries, he believes that it is far more essential than it was a year ago to obtain the papers quickly and in greater numbers.

4. On the question of the type of funds to be expended for South American newspapers, Mr. Halperin gives two reasons why unvouchered funds must be used:

- (a) the necessity for payment of cash in advance in order to obtain the dispatch of the papers by airmail.

Experience has shown that publishers refuse to send papers by airmail without cash in advance.

- (b) the desirability in many cases of concealing the identity of the purchaser.

Particularly in the case of Communist and Pro-Nazi publications, Mr. Halperin believes that the U.S. Government's interest should not be known, nor does he believe that it would be to the advantage of the U.S. Government that the interest of OSS be known because of espionage and subversive activities with which OSS is sometimes associated.

CONFIDENTIAL

CONFIDENTIAL15,186
Board of Review
x R. & A. Latin America

Board of Review
 Attention: Commander J. S. Morgan, Member
 Executive Office

8 September 1944

Funds for R & A - Latin America

Returned herewith are the originals of your memorandum to the Director of 4 August and 16 August. Also attached is the original of memorandum of 31 July to the Board of Review from Dr. Langer.

You will note that the approval of the Acting Director appears on the opinion of the General Counsel as well as on the face of the memorandum of 4 August.

E. J. Putzell Jr.
 Lieutenant (j.g.), USNR
 Assistant Executive Officer

Attachments

CC: Major Lee
 Ensign Donovan

F-Des ✓

CONFIDENTIAL

CONFIDENTIAL

Board of Review

137186

x R & A

x Latin America

9 September 1944

TO:

Acting Chief, Special Funds
Chief, R & A Branch

SUBJECT:

Funds for Latin America Division - R & A

Attached hereto is a copy of
the recommendation of the Board of Review,
4 August 1944, Subject: Request for Special
Funds for Latin American Division - R & A.

This recommendation has been
approved by the Acting Director.

For the Board of Review:

R. H. I. Goddard

R. H. I. Goddard
Member

JJA

Attachment

cc: Director's Office ✓

[Exposure 1]

CONFIDENTIAL

BoD Rev 15/186

SECRET

x R & A

y Latin American

25 September 1944

Ensign Donovan

General Donovan

Board of Review

I understand that R&A (Latin American Division) is asking for \$25,000 additional for a full years subscription for newspapers and other publications of countries in South America to be sent by airmail.

I certify to the necessity of these publications for intelligence purposes. I approve this application.

W. J. D.

SECRET

SECRET*15,186*
Board of Review*x R & A.**x Latin America*

27 September 1944

TO: **Lieut. (j.g.) James Q. May**

SUBJECT: **Special Funds for Purchase of Newspapers and Periodicals for the Latin America Division, R & A Branch**

Attached hereto is a copy of a memorandum from General Donovan, dated 25 September, in which he gives his approval of an additional \$25,000 for the Latin America Division of R & A, for newspapers and periodicals of South American countries.

For the Board of Review:



F. E. Morgan
Commander, USNR
Member

Attachment

1h
cc: Special Funds
Director's Office

SECRET

SECRET

19 July 1945

approved
" over
7/20/4515, 186
Pd. 1/15

TO:

The Director

SUBJECT: Special Funds for the Purchase of Latin American Newspapers.

1. As the attached memorandum indicates, the Chief of R & A Branch has approved the expenditure by the Latin American Division of his Branch of the sum of \$30,000 for the purchase of Latin American newspapers during the coming year. Part of this sum undoubtedly represents the expense of having the newspapers sent by air mail to the United States from the countries of origin. The amount recommended represents a cut from a request by the Division of an allocation of \$65,000 to it for this purpose.

2. It is the Board of Review's opinion that during the current fiscal year the determination of a Branch Chief that he wishes to devote a part of his allocated funds to a given purpose should carry the greatest weight in connection with the approval of that purpose. Accordingly, Dr. Langer's recommendation in this case should probably not be disregarded. The Board of Review has had many doubts concerning the advisability of expending such a large amount of money for the purchase and air mail delivery of newspapers, especially since the Latin American Division services outside agencies, particularly the State Department, almost exclusively.

3. However, the Board is appreciative of the considerations in favor of a continuation of the work of the Division and in any case, the recommendation of Dr. Langer should be given greatest weight. The Board of Review is therefore willing to recommend approval of the R & A request and the use of Special Funds therefor which seems to be justifiable since the official interest of the United States in the acquisition of these papers is not to be revealed. It should be understood, however, that the amount of \$30,000 of Special Funds allocated for this purpose shall be chargeable to the overall allocation for this purpose from the appropriation to OSS for the current fiscal year.

For the Board of Review

J. S. Morgan
Chairman**SECRET**Attachment 7/19
No Legal Action
Schlesinger

SECRET

15,186
 Bal. of Review
 x R + A
 x for ten American
 24 July 1945

Attention:

The Board of Review
 Mr. J. S. Morgan, Chairman
 Executive Office

Special Funds for the Purchase of Latin
 American Newspapers

There is returned herewith the original of
 your memorandum of 19 July 1945 to the Director, to-
 gether with your file on the above subject.

You will note that the opinion of the General
 Counsel and the approval of the Director appear on the
 face of your memorandum.

No. 118
 E. J. Putzell, Jr.
 Lieut. (jg), USNR
 Executive Officer

cc: Director's Files
 Secretariat
 General Counsel

SECRET

15,184

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

4 August 1944

TO: The Director

SUBJECT: T/O for the Board of Review

REFERENCE: Board of Review memo to Director dated 19 June 1944. - *No copy in Director's file*

In addition to the personnel recommended in the above reference, the Board of Review now recommends that its T/O be increased by

2 Lieutenant Colonels

In making this recommendation, the Board is mindful of the following:

1. Its work is increasing daily and will increase still further as orders based on its recommendations become effective in the Agency.
2. It takes an appreciable amount of time for an officer joining the staff of the Board to learn the nature of its work and to become acquainted with the offices and Branches of the Agency.
3. Under the terms of its Basic Directive, one member of the Board is likely to be absent on duty in the field during a major portion of the time. The Board plans that the member on such duty shall have with him at least one member of the Board's staff, to assist him in his work. Under its present T/O this will leave the Board in Washington short-handed and slow its activities materially.
4. Suitable officers to fill the positions of staff members are not easily found, and when found must be trained as pointed out in 2. above. The only way to acquire them is to recruit them as opportunity offers.

For the Board of Review:


 C. M. Sears, Jr.
 Lt. Colonel, AUS
 Chairman

5 August

1. MAJOR LEE
2. MR. CHISTON
3. ACTING DIRECTOR

Bd Rev Memo 8/4/44 re T/O
for Bd Rev. ref. its Memo
8/19/44 to Director

J. B. Donovan

cc. Mr. Thru

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1944 AUG 5 PM 3 07
OSS

15,184

CONFIDENTIAL**JOB DESCRIPTION - STAFF MEMBER***********

General Order No. 9, 26 May 1944, defines the duties and functions of the Board of Review as follows:

"The Board of Review shall advise the Director with respect to the formulation of policies for, and the direction of, all OSS finances both in Washington and in the field. It shall study, review and make recommendations with respect to:

(1) All financial controls, records and accountings

(2) All proposed expenditures of un-vouchered OSS funds requiring the approval of the Director or Assistant Director

(3) Such other matters pertaining to OSS finances as the Director may approve."

To enable the Board to carry out its directive, staff members are necessary. A staff member will have the following duties:

1. Analyze, study and report on financial controls, records and accountings in Continental U. S.

2. Assist the Board in its study, review and recommendations on the overall OSS budget.

3. Analyze, study and report on financial aspects of all OSS plans or projects involving more than \$5,000.

4. Accompany a Board member on overseas missions, to analyze, study and report on financial controls, records and accountings and to assist in formulating financial policy recommendations.

CONFIDENTIAL

15,184

CONFIDENTIAL

11 August 1944

TO: Mr. Charles S. Chauton
SUBJECT: Job Description for Staff Member,
Board of Review

With further reference to our
memorandum of 4 August 1944, Subject: T/O
for the Board of Review, attached hereto
is the job description for Staff Members
of the Board of Review.

For the Board of Review:

C. E. Sears, Jr.
Lt. Colonel, ADB
Chairman

Attachment
JH

CONFIDENTIAL

CONFIDENTIAL

13,184
James H. Thompson
x 5/0
7 September 1944

Board of Review
Attention: Commander J. S. Morgan
Executive Office

Addition to T/O of 2 Lieutenant Colonels

In accordance with your conversation with Mr. Cheston, Colonel Sears' memoranda of 4 August and 11 August are returned to you with the request that the Board of Review attempt to obtain civilians to fill these positions.

Robert Thrun
Lt. (j.g.) USNR
Assistant to the Executive
Officer

CC: Major Lee
Ens. Donovan
Files

CONFIDENTIAL

SECRET

4 September 1944

The Acting Director

THIS IS INSTEAD OF M.O. BRANCH REQUEST FOR:

Salaries	125,000.00
Miscellaneous	10,000.00
Funds on hand 8 July	6,886.49
	<u>141,886.49</u>

5. The Board of Review recommends approval of \$25,000.00 for the period 1 July - 31 December 1944. It also recommends agreement with the following intention of H.O., dated 5 August 1944: "H.O. requests approval of the continuance of the Harigold Project to 31 December 1944 with the understanding that Harigold will be closed at an earlier date if possible."

that it will be closed by 11:00 AM on 5 August 1946 containing the foregoing quotation is attached hereto. It is requested that it be returned to the Board of Review when it has served its purpose.

For the Board of Review:

J. E. Morgan
Commander, USNR
Member

Attachment
in

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OFFICE OF STRATEGIC SERVICES

Washington, D. C.

4 September 1944

TO: The Acting Director, OSS

SUBJECT: Wriggled Project - Estimated Expenses
6 June - 31 December 1944.

15, 157
approved
Charles S. Houston
9/8

1. This project was approved 31 December 1943, and \$15,000 appropriated exclusive of salaries to cover operations beginning 19 October 1943. As at 6 July there was \$4,994.49 unexpended. Two main items of expense were \$2,307.21 for rent and \$6,411.11 for alterations to premises.

2. Salaries for first eight and a half months (19 October 1943 to 30 June 1944) were \$14,895.61 for 14 writers, 4 guards and a stenographer. Writers now average about \$2500 per year and guards about \$2000.

Expenditures for the period, restated, are:

\$8,722.38	rent and alterations
1,283.19	supplies and miscellaneous
<u>14,895.61</u>	salaries
<u>\$24,701.18</u>	

3. Request dated 5 August 1944, covering second six months of 1944, is made for \$10,000 over and above salaries and unexpended funds of \$4,994.49.

4. Rent is at \$250 per month or \$1500 for the last six months of the year. Additional alterations of \$500 are stated to be necessary. Supplies and miscellaneous averaged about \$180 per month, October to June, inclusive. It is recommended by H.Q. Branch in memorandum dated 16 August 1944 that writers' salaries be increased by \$200 per year, each. This would be \$100 each for next six months or \$1400 for 14 writers.

The Board recommends a budget for the last six months of 1944 as follows:

Rent	\$1,500.00
Alterations	500.00
Salaries	25,000.00
Supplies & Miscellaneous	1,000.00
	<u>\$27,500.00</u>
Less funds on hand 6 July	4,994.49
	<u>\$22,505.51</u>

SECRET

6 September 1944

Bd Rev Memo 9/4/44 Morgan to
Act. Dir. re "Marigold Project--
Estimated Expenses 30 June-
31 December 1944

ACTING DIRECTOR

Re: Marigold Project

Upon the attached file, this
Office sees no legal objection
to approval of the Board's
recommendations, and payment
of the approved expenditures
from Special Funds.

JB
James B. Donovan

✓ cc: Lt. Thrun

SECRET

157187

*Board of Review
Marigold Project*

X

8 September 1944

Board of Review
 Attention: Commander J. S. Morgan, Member
 Executive Office

Marigold Project - Estimated Expenses
30 June - 31 December 1944.

The original of your memorandum of 4 September to the Acting Director together with the opinion of the General Counsel and the original of the memorandum to the Board of Review from Lt. McFadden of 5 August on the above subject are returned herewith.

You will note that the approval of the Acting Director is indicated on the face of your memorandum of 4 September.

CONFIDENTIAL
 B. J. Putzell Jr.
 Lieutenant (J.G.), USNR
 Assistant Executive Officer

Attachments

CC: Major Lee
 Ensign Donovan

Enc 2

SECRET

SECRET

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

11 September 1944

*Board of Review**x Funds**x Marigold Project*

15,187

TO:

Acting Special Funds Officer
Deputy Chief, HQ Branch

SUBJECT:

Marigold Project - Estimated Expenses
30 June - 31 December 1944.

Attached hereto is a copy of the recommendation of the Board of Review, 4 September 1944,
Subject: Marigold Project - Estimated Expenses
30 June - 31 December 1944.

This recommendation has been approved by
the Acting Director.

For the Board of Review:

*R. H. I. Goddard*R. H. I. Goddard
Member

Attachment

✓ Act. Director's Office

SECRET

SECRET

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

7 February 1945

TO: The Director
 SUBJECT: Marigold Project

Attached is Major Reeve Hoover's memorandum of 3 February 1945, explaining in some detail why the Marigold Project was not closed at the end of December 1944, as it was expected to be in accordance with the memorandum to the Board of Review of 5 August 1944 from Lt. Thomas J. McFadden, Acting Chief, MO - Pac/FE.

The Board has discussed the matter further with Mr. Simpson of MO Branch and is satisfied that the difficulties which were encountered made it impossible to close the activity as indicated. The Board, therefore, recommends your approval of a budget for the three months ending 31 March 1945 for \$21,690.00 from special funds.

We are advised that in the category of personnel the ten men listed as "Prospective Personnel" at \$400.00 a month for two months (\$8,000.00) would only be required if Theater Commander approval is obtained.

The Board, therefore, recommends a further allocation of \$6,000.00 subject to Theater Commander approval. This additional appropriation should also be from special funds.

This request for funds was presented on 3 February 1945. None of the personnel have been paid for January. We have notified Mr. Simpson that in the event that the project will have to be carried on beyond 31 March 1945 the Branch should submit requests for further funds well in advance of 1 April 1945.

For the Board of Review

J. S. Morgan

Member BN 108

2/8/45
 No legal objection
 Attachment

approved 2/10
 by Charles S. Cheston
 acting Director

SECRET

SECRET

15, 187
 Pol. & Research
 a Harigold Project
 a Funds 10 February 1945

Mr. Junius S. Morgan
 Lt. Putzell
 Harigold Project

There is returned herewith the original
 of your memorandum of 7 February 1945 to the
 Director, together with the file on the above
 subject. Please note that the opinion of the
 General Counsel and the approval of the Acting
 Director appear on the face of your memorandum.

E. J. Putzell, Jr.
 Lieut. (jg), USNR
 Assistant Executive
 Officer

cc: Mrs. O'Donnell
 Secretariat
 General Counsel

SECRET

SECRET**OFFICE OF STRATEGIC SERVICES**WASHINGTON, D. C.
28 March 1945

TO: The Director

SUBJECT: Budget, Marigold Project

1. The Board of Review has considered the attached request from H.Q. Branch for the approval of a budget for one further month's expenditures for Marigold operations in the United States. It is represented that this budget, for the month of April, will be all that will be required prior to the shipment of the personnel of the Marigold Project for overseas duty.

2. The individual items in the budget are consistent with the amounts which have been approved in the past. Two items are additional; one for \$1,500 for packing expenses and one for \$1,000 for transportation of equipment to the West Coast for overseas shipment. Since these latter two items are undeniably necessary if the project is to operate overseas, the Board has no question concerning them.

3. The Board of Review recommends that you approve a budget in the amount of \$10,080 as requested, for the month of April 1945, and the allocation of the appropriate amount of unvouchered funds therefor.

For the Board of Review:

*R. H. I. Goddard*R. H. I. Goddard
MemberAttachment
1h3/29/45
No legal objection
WSD**SECRET**

SECRET

30 March 1945

Atten: The Board of Review
Mr. R. H. I. Goddard
Executive Office
Budget, Marigold Project

The original of your memorandum of 28 March to the Director is herewith returned, bearing the Director's approval and favorable comment by the General Counsel.

There is also attached your file on the above subject.

E. J. Putzell, Jr.
Lieut. (jg), USNR
Acting Executive
Officer

cc: Director's Files ✓
Secretariat
General Counsel

SECRET

15, 197
SECRET

4 May 1946

TO: The Board of Review
 SUBJECT: Marigold Budget for May 1946

Due to cancellation of overseas transportation May 7th for the Japanese personnel located at the Marigold Project it was necessary to retain the premises occupied by said personnel for the month of May, in order that we would have a place for them to meet without breaking any security regulations. Colonel Kirk of Transportation advises that the subject personnel will be shipped on or about the 28th of May and this office now has invitational orders for travel approved by Colonel Pitts.

In view of the fact that it was necessary to retain the aforementioned premises, it is requested that the budget set forth below for the month of May 1946 be approved for the Marigold Project.

MARIGOLD BUDGET FOR MONTH OF MAY 1946

Rent	\$ 250.00
Salaries	4000.00
including guards	
Light	60.00
Telephone	100.00
Miscellaneous	300.00
	<u>\$4710.00</u>

Delay in submitting the above budget was caused by the fact that this office did not receive overseas transportation until the end of April.

Your favorable action in regard to the above budget is requested.

KENNETH D. HANN
 Colonel, AUS
 Chief, MO

APPROVED:

WILLIAM H. HANCOCK
 Deputy Director - NSC

1572 MAY 2 12 51

SECRET

OFFICE OF STRATEGIC SERVICES
Washington, D. C.

15,187
Doc 5/12/45
SECRET

7 May 1945

To: Director

Subject: Marigold Budget for May 1945

1. Unexpected delays have evidently caused the postponement of the overseas shipment of the Marigold personnel until the end of the month of May, and accordingly MO Branch has submitted a request for approval of a budget for that group for the further month. Col. Kirk has confirmed to the Board that transportation for the Marigold personnel is now all arranged and there should be no further difficulty in their departure at the end of this month.
2. The individual items set forth in the budget are consistent with the amounts that have been approved in the past. No expenses are included for packing or transportation of equipment since those had previously been approved as a part of the budget for the month of April.
3. The Board of Review recommends that you approve the budget in the amount of \$4,710 as requested for the month of May 1945. It further recommends, in view of the confidential nature of this project, that an appropriate amount of unencumbered funds be allocated therefor.

For the Board of Review,

G. A. Bens
Lt. Col. USMR
Member

Attachments

SECRET

5/4/45
"the legal system"
Dms

SECRET

15,1851

Bd. S. Review
x Max. Tol
x Funds
12 May 1945

Board of Review
Attention: Lieut. C.A. Bane, Member
Executive Office

Marigold Budget for May 1945

There is attached hereto the original of your memorandum to the Director of 7 May 1945 on the above subject.

You will note that the opinion of the General Counsel and the approval of the Director for the use of unvouchered funds appear on the face of your memorandum, to which is annexed your file on this matter.

E. J. Putzell, Jr.
Lieut. (jg), USNR
Act. Executive Officer

CC: Director's Files ✓
Secretariat
General Counsel

SECRET

15,201

31 August 1944

TO: Director, OSS
 FROM: Chief, SI
 VIA: Board of Review
 SUBJECT: "Shepherd" Project

1. The "Shepherd" Project was approved by the Director, OSS, on October 5, 1943. This project authorized the allocation of \$45,900. During the spring of 1944, preliminary work for the furtherance of the project was undertaken in London which required the expenditure of \$1,140. Because of changes in the situation with respect to the country involved, it was not necessary to make available the remainder of the total authorized amount.

2. The Director, OSS, has now instructed Mr. Bernard Yarrow to proceed at once to London in pursuance of the subject project. (Cable 18-1718, 23 August 1944). Mr. Yarrow will be designated a State Department official. He will be responsible for (1) maintaining and developing the closest possible relations with the Government and legal family of a friendly European power, and (2) obtaining strategic and other information of value to the United States in connection with the prosecution of the war, and pacification of Europe. In the performance of his duties, Mr. Yarrow will be expected to (1) accompany the foreign agents whenever they travel, (2) engage suitable living and entertainment facilities so that his official

SECRET

- 2 -

entertainment of, and contact with, such associates can be maintained with minimum cost and facility and with due regard for security requirements, and (3) at his discretion, to take all reasonable steps to ensure the success of his mission. Mr. Yarnow will report to the Director, OSS, from time to time during the period of his mission and will submit a final report on the completion of his mission.

3. It is requested that the sum of \$8,000 be allocated for expenses during the period of 3 months from the date of departure from the United States, for living and quarters, entertainment, travel, and such other disbursements as are deemed necessary for the proper performance of the mission. A statement of expenditures will be submitted to the Director, OSS, upon completion of the mission.

4. Should additional funds be required for the proper performance of the mission, Mr. Yarnow will submit a request for additional funds, and justification therefor, to the Director, OSS.

H. G. Foster
Acting Chief

100: Board of Review

022

100: Board

XPT

87 JUN 12 02

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STANDARD FORM NO. 64

while 15,221 shown
Office Memorandum • UNITED STATES GOVERNMENT**TO : Chief, Special Funds Branch****DATE: 4 September 1944****FROM : Acting Chief, SI Branch****SUBJECT: "Shepherd" Project****Ref: : Memorandum of 1 September from Acting Chief, SI**

This is to certify that the traveling expenses for the wife of the OSS representative under the subject project are properly chargeable to the subject project.


R. C. Foster

cc: Board of Review
Mr. Hughes

SECRET

SECRET

15201

2 September 1944

TO: The Acting Director

SUBJECT: "Shepherd" Project


Attached hereto is a memorandum to the Director, OSS, from the Chief, S.I., via the Board of Review.

The Board of Review recommends the approval of \$5,000 of Special Funds for Mr. Yarrow's expenses as defined in paragraph 3 of the attached memorandum.

It is understood that Mrs. Yarrow will accompany her husband and that the funds requested are exclusive of transportation, via Pan American Airways, from Washington to London. Necessary travel arrangements will be made by State Department at an estimated cost of \$1,250 and on a reimbursable basis.

The Board of Review recommends that, in addition to the \$5,000 previously mentioned, special funds of \$1,250 be approved to cover reimbursement to State for Mr. & Mrs. Yarrow's transportation to London.

For the Board of Review:



R. H. Gossard
Member

Attachment

11a

cc: Lt. Beale

SECRET

2 September 1944

BA Rev Memo 9/2/44 "Shepherd"
Project Goddard to Actng Dir
15.201

ACTING DIRECTOR

1. I have been advised by Mr. Goddard that the Board was informed by SI that (a) the agreement is that Mrs. I's transportation expenses be paid, and (b) that agreement was necessary to the work. Lt. Beale has promised me to confirm this in writing to the Board.
2. I see no legal objection to such arrangements under the circumstances.

14
James B. Donovan*approved*
Charles S. Chester

cc: Lt. Thrun

SECRET

16.201

1.00 - 1000
 X 2148
 X 19 - 1000

9 September 1944

Board of Review
 Attention: R. H. I. Goddard, Member
 Executive Office

"Shepherd" Project

Returned herewith are the originals of your memorandum of 2 September to the Acting Director and the memorandum of 31 August from the Chief, SI to the Director, OSS, on the above subject.

We are informed that a copy of memorandum from the Acting Chief, SI Branch, to Chief, Special Funds Branch dated 4 September and entitled "Shepherd" Project is in your possession. It is suggested that this memorandum be made a part of your file on this subject.

You will note that the approval of the Acting Director appears on the opinion of the General Counsel.

E. J. Putzell Jr.
 Lieutenant (j.g.), USNR
 Assistant Executive Officer

Attachments

CC: Major Lee
 Miss Liza Donovan
 Files ✓

SECRET

SECRET*Board of Review**15,201**x Shepherd Project*

20 September 1944

x Garrison, Bernard

TO: Acting Chief, Special Funds

SUBJECT: "Shepherd" Project

This will confirm the fact that the Acting Director has approved the recommendation of the Board of Review, 2 September 1944, subject: "Shepherd" Project, totalling \$6,250.

For the Board of Review:

J. S. Morgan
J. S. Morgan
Commander, USNR
Member

*cc: Director's Office -***SECRET**

15,241

29 August 1944

Retail Credit Company, Inc.
Bond Building
Washington, D. C.

Attention: Mr. F. W. Bowles

Gentlemen:

Reference: Contract OSS-604

Pursuant to the provisions of paragraph (b), Article III of the subject contract, you are hereby informed that in addition to the sum obligated under this agreement in the performance of the subject work during the period ending June 30, 1944, the Government will provide the sum of \$100,000.00 for payment of performance by the Contractor during the term beginning July 1, 1944 and ending June 30, 1945.

It is requested that you acknowledge receipt hereof in duplicate and return same to this office.

Very truly yours,

THE UNITED STATES OF AMERICA

BY CHARLES S. CRISTON
Acting Director

BY L. M. BEAN
Deputy Director - Administrative Services

Accepted:

Date: _____

By: _____

Title: _____

CONFIDENTIAL

- 2 -

In view of expenditures already made since the beginning of the contract in January as shown above, it seems to the Board of Review that the allotment of \$100,000 to provide for further investigations on the part of Retail Credit Corporation during the Fiscal Year ending June 30, 1945 is warranted by the evidence as presented to it and it recommends the Director's approval of the letter dated 29 August 1944 extending the contract.

The Board would appreciate it if the Director will advise it of the action taken.

For the Board of Review:

R. H. I. Goddard

R. H. I. Goddard
Member

CONFIDENTIAL

CONFIDENTIAL
OFFICE OF STRATEGIC SERVICES
 Washington, D. C.

11 September 1944

*Approved
 10/ Charles S. Clark*

FROM: Board of Review
TO: Director
SUBJECT: Extension of contract with Retail Credit Corporation in the amount of \$100,000 for the Fiscal Year ending June 30, 1945.

According to a statement submitted to the Board by the Security Office, payments under this contract for the current calendar year through June are as follows:

January & February	329 cases @ \$29.54	\$9,729.86
March	90 cases @ \$34.54	3,109.86
March	939 cases @ \$25.38	23,839.52
April	447 cases @ \$24.85	11,107.95
May	431 cases @ \$25.51	11,004.81
June	376 cases @ \$24.67	9,277.32

TOTAL 3652 TOTAL \$65,704.24

Average cost per case . . . \$24.77

The Security Office has advised the Board that it is of the opinion that investigation provided for under the contract will tend to increase rather than decrease and that it may be necessary to request additional funds later in the fiscal year. However, the amount requested is believed to be sufficient for the present.

The Security Office states that the investigations conducted by Retail Credit Corporation on its behalf include Civil Service personnel and also military or naval personnel when occasion demands, with emphasis on enlisted armed services personnel rather than commissioned. Other investigating agencies are used also so that Retail Credit Corporation cannot be considered as the only agency doing this work for OSS.

CONFIDENTIAL

DSS Form 4151

Date 11 Sep '44

To: (1) Acting Director
(2) Ens. Donovan

Based upon the attached record, I see no legal objection to the Board of Review's recommendation.

The contract is attached and is in proper form for your signature.

/s/ J.B.D.

J.B.D.

Office of the Executive Officer

(30449)

Even No. rolls

Exposure is $\frac{1}{25}$ @ f.6.3

CONFIDENTIAL15, 241
Board of Review
y instant order Cap.Board of Review
Attention: Lt. Col. C. M. Sears, Jr., Chairman
Lt. Putzell

12 September 1944

Returned herewith is original of your memorandum dated 11 September 1944 to the Director entitled "Extension of contract with Retail Credit Corporation in the amount of \$100,000 for the Fiscal Year ending June 30, 1945" together with opinion of General Counsel.

You will note that the Acting Director has, this date, approved the Board's recommendation.

In order to expedite the matter the Acting Director has forwarded the signed letter agreement, dated 29 August 1944 to Ens. Kelly directing a copy of same be retained in the Director's files.

E. J. Putzell, Jr.
Lt. (j.g.) USNR
Assistant Executive
Officer

CC: Major Lee
Ens. Donovan
Files ✓

CONFIDENTIAL

CONFIDENTIAL
OFFICE OF STRATEGIC SERVICES

Washington, D. C.

15,241
P. Card of Review
X Actual check to p
13 September 1944

TO: Security Office
Chief, Contract Division
FROM: Board of Review

This is to advise you that the Acting Director has approved the recommendation of the Board of Review that an allotment of \$100,000 be set aside for further investigations by the Retail Credit Corporation during the Fiscal Year ending 30 June 1945.

For the Board of Review:

C. S. Morgan
Commander, USNR
Member

cc: Director's Office
Finance Branch

CONFIDENTIAL

OFFICE OF STRATEGIC SERVICES
Washington, D. C.

11 September 1944

TO: Acting Director
SUBJECT: Fire Protection - Rosslyn Warehouse -
\$5,770.00.

The Deputy Director, Administrative Services requests the sum of \$5,770.00 to cover the installation of an adequate sprinkling system at the Rosslyn Warehouse. His memorandum of 11 September is attached herewith.

The Board of Review suggested the advisability of getting more than one estimate but the Procurement & Supply Branch states that, under General Order 8241 we are permitted to negotiate a contract rather than obtaining competitive bids. The contractor, J. Calvin Owens, whose estimate forms the basis for subject request, constructed the Rosslyn Warehouse and therefore can work from his own original drawings. Procurement & Supply state that they are entirely willing to proceed on this single quotation, since their previous experience with Mr. Owens has been satisfactory.

The Board of Review recommends approval of this request; payment to be made from Vouchered Funds.

For the Board of Review:

R. H. I. Goddard
Member. 022

7/19/44

Attachment

22 SEP 15 1944

RECEIVED

OK
Donovan

15 September 1944

Bd Rev Memo 9/11/44 Goddard
to Act. Dir re Fire Protec-
tion, Brosslyn Warehouse

1. MAJOR LEE

2. ACTING DIRECTOR

1. No legal objection to approval of the attached proposal.
2. I have pointed out to the Board that while we have the power to make contracts without asking for bids, it is a question of policy whether the agency should do so in such cases. They believe it to be unnecessary here.

JBD
James B. Donovan

✓ cc: Lt. Thrun

15,267

Board of Review

X Rosslyn Warehouse
 X Fire Protection
 20 September 1944

Board of Review
 Attention: R.H.I. Goddard, Member
 Executive Office

Fire Protection - Rosslyn Warehouse - \$5,770.60

The original of your memorandum of 11 September to the Acting Director with the opinion of the General Counsel and the original of memorandum of 11 September to the Board of Review from Mr. Ream on the above subject are returned herewith.

The approval of the Director is indicated on the face of your memorandum.

E. J. Putzell Jr.
 Lieutenant (j.g.), USNR
 Assistant Executive Officer

Attachments

CC: Major Lee
 Ensign Donovan

Trans. O. Donnell ✓

Family Division 15,267

x Rosalyn

x Fire Protection

20 September 1944

TO: Mr. L. M. Henn
SUBJECT: Fire Protection - Rosalyn Warehouse

Attached hereto is a copy of the recommendation of the Board of Review, dated 11 September 1944, on the above subject.

This recommendation has been approved by the Director.

For the Board of Review:

J. S. Morgan
J. S. Morgan
Commander, USNR
Member

Attachment

1. Contract Div.
2. Security Office
3. Working
Director's Office

CONFIDENTIALOFFICE OF STRATEGIC SERVICES
Washington, D. C.

- 2 -

3 November 1944

The Director

(b) It is presumed that such payment will terminate all contractual relationships between OSS and Dr. Langer regarding further material on Hitler's life.

7. A copy of the complete work, together with the "spiced up" version and supporting material, has been submitted to the General Counsel, in order to obtain his opinion as to whether or not the gathering and issuance of such material is of use to the war effort, or a credit to the author and to this Agency.

For the Board of Review:

J. S. Morgan
Commander, USIA
Number

Attachments

022

18th NOV 2 15 33

d 1/7/4

CONFIDENTIAL

CONFIDENTIALOFFICE OF STRATEGIC SERVICES
Washington, D. C.15,698
Board of Review
x Langer, Walter
13 November 1944
x Life of Hitler

TO: The Director

SUBJECT: Dr. Walter Langer's "Life of Hitler".

1. In accordance with basic correspondence attached, Dr. Walter C. Langer prepared a study of Hitler's life for OSS, at the direction of Mr. Gochener, one time head of MO Branch.

2. Payments from Special Funds were made to Dr. Langer as follows:

5 March 1943	\$460.00
16 April 1943	500.00
28 April 1943	3000.00
22 December 1943	1040.00
	<u>\$5000.00</u>

The first three payments were approved by the Director; and the fourth by the Secretariat, on the strength of Mr. Gochener's memo dated 22 April 1943.

3. On 2 May 1944 supplemental payment from Special Funds was made to Dr. Langer for "out of pocket expense", in the amount of \$886.98; and with the approval of the Acting Deputy Chief, MO, and the Executive Officer SSO.

4. Subsequently, Dr. Langer produced and delivered to OSS a "spiced up" version of his original work for which he has billed this Agency \$2800.00. The Chief, MO, states that unfortunately the record is not clear as to the authority for requesting Dr. Langer to proceed with the "spiced up" version.

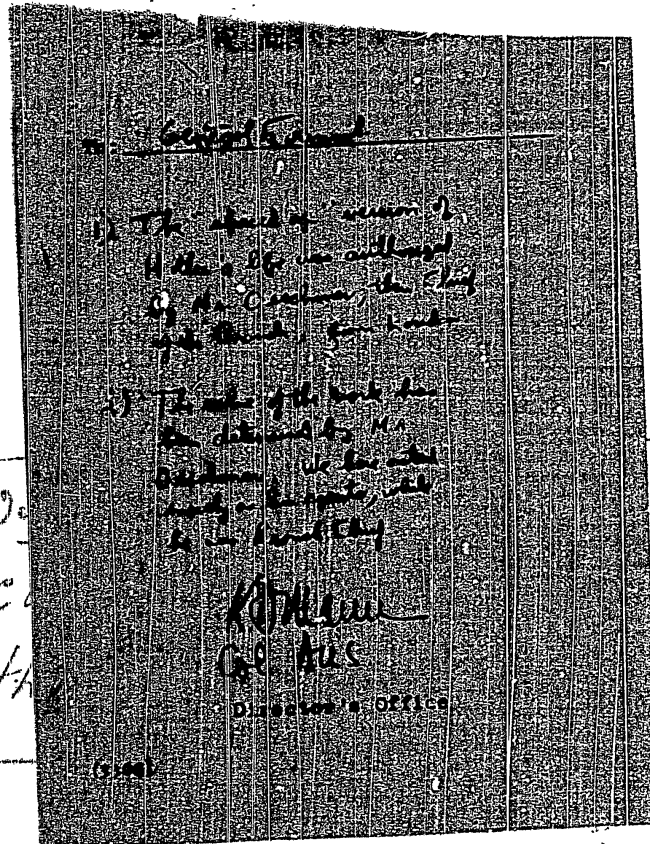
5. Special Funds Branch has submitted the matter to the Board of Review on the premise that the total amount, paid and due Dr. Langer, is in excess of \$5000.00 - specifically, \$5886.98.

6. Since all contractual arrangements between OSS and Dr. Langer were made prior to the existence of the Board of Review, the Board submits the project to the Director without recommendation and with the following observations:

(a) Since Dr. Langer proceeded in good faith to produce a "spiced up" version upon the instructions of one or more persons who, he believed, were authorized to make such a commitment for OSS, this Agency is obliged to pay him for his services.

CONFIDENTIAL

Top ↑



Even No. rolls

Exposure is 1/25 @ f.6.3

CONFIDENTIAL

OFFICE OF STRATEGIC SERVICES

WASHINGTON, D. C.

15 November 1944

10/698

11/17/44

OK

H/ Donovan

MEMORANDUM

/s/

TO: Director

FROM: General Counsel

SUBJECT: Dr. Walter Langer's "Life of Hitler"

1. I attach a memorandum from Col. Mann, Chief, MO Branch, stating that (a) the revised version of Hitler's life was ordered by Mr. Oechsner, then Chief of MO, and (b) since the work was ordered by and delivered to MO, London, by authority of Mr. Oechsner, the value of the work is known there and not here.

2. The term "spiced-up" version is a colloquial expression which has been employed by all the Branches involved as a convenient reference to the revised version of Hitler's life, which gives a most detailed psychological analysis of his neuroses. These aspects apparently were of importance to Mr. Oechsner in his MO work.

3. In view of the foregoing and the Board's memorandum, the sum of \$2500.00 would appear to be due Dr. Langer.

1st *James B. Donovan*
James B. Donovan

CONFIDENTIAL

CONFIDENTIAL

15,698
Board of Review
x Langer, Walter
11/20/44
x Life of Hitler

Board of Review
Attention: Captain J.S. Morgan, Member
Executive Office

Dr. Walter Langer's "Life of Hitler"

There is returned herewith the original of your memorandum of 3 November to the Director together with your file on the above subject.

You will note that the approval of the Director appears on the recommendation of the General Counsel.

E. J. Putzell, Jr.
Lieutenant (J.G.), USNR
Assistant Executive Officer

Attachments

CC: Secretariat
General Counsel

Mrs. O'Donnell

CONFIDENTIAL

CONFIDENTIAL**OFFICE OF STRATEGIC SERVICES****Washington, D. C.**

15, 6 28

Pol E) Review**22 November 1944**

TO: Chief, M.O. Branch
SUBJECT: Dr. Walter G. Langer's
"Life of Hitler".

Attached hereto is a copy of
the memorandum of the Board of Review,
dated 3 November 1944, on the above sub-
ject.

This memorandum has been
approved by the Director.

For the Board of Review:



C. M. Sears, Jr.
Lt. Colonel, AUS
Chairman

Attachment
cc) Special Agents
Director

CONFIDENTIAL

OFFICE OF STRATEGIC SERVICES
Washington, D. C.

SECRET

11/14/44
13/0

10 November 1944

TO: The Director
SUBJECT: Special Funds for CBI.

Attached hereto is cable #1197 from Colonel Coughlin requesting that an additional \$100,000 be transferred to CBI over and above the \$300,000 already approved by you for November.

The Board has discussed the matter with the Chief of Special Funds Branch and recommends that you approve the remittance of the \$100,000 as requested by Col. Coughlin.

There is also attached a memorandum from Special Funds Branch which raises a question of policy for your consideration. After going into the matter with the Chief, Special Funds Branch, the Board recommends that the policy regarding CBI be made to conform with that adopted in the case of other Strategic Services Officers as suggested in the memorandum. It appears that the present policy was evolved in the early days of Detachments 101 and 102 and at a time when there may have been some doubt as to the successful development of operations in their areas. Now, however, based on recent observations of the Chief, Special Funds Branch, the organization in the CBI Theater is on a firm basis, the operations are well organized, and it would seem to be possible to handle requests for funds by the Strategic Services Officer in the area in the same manner as is done in the case of other Strategic Services Officers.

The Board understands that Col. Coughlin is now on his way to Washington so that discussion of the question with him may be possible in the near future.

For the Board of Review:

J. S. Morgan
J. S. Morgan
Commander, CBI
Member

No legal objection
to this recommendation
140

Attachment

154 NOV 16 1944
d 1/5-6

2000 11 1944

SECRET

SECRET

15,657
Board of Review
x US Operations
x Special Funds
15 November 1944

Board of Review
Attention: Commander J.S. Morgan, Member
Executive Office

Special Funds for CBI

Returned herewith is the original of your memorandum of 10 November to the Director together with your file on the above subject.

You will note that the approval of the Director and the opinion of the General Counsel appear on the face of your memorandum.

Please take appropriate steps to notify the field.

E. J. Putzell Jr.
Lieutenant (j.g.), USNR
Assistant Executive Officer

Attachments

CG: Secretariat
General Counsel

SECRET

15,656

CONFIDENTIAL

OFFICE OF STRATEGIC SERVICES

Washington, D. C.

3 November 1964

TO: The Director
 SUBJECT: Biographical Records - San Francisco

The Board of Review recommends approval of the San Francisco budget, as submitted for the current fiscal year, in the amount of \$4,500.00, of which \$3,750.00 is chargeable to vouchers, and \$750.00 to unvouchered funds.

For the Board of Review:



J. E. Morgan
 Commander, USNR
 Member

11/13/44

1/3 D.

Attachment

022

11/13/44
 No objection to approval
 of this budget

10/14/44
 J. E. Morgan
 11/13/44

CONFIDENTIAL

CONFIDENTIAL

Board of Review
Attention: Commander J.S. Morgan, Member
Executive Office

Biographical Records - San Francisco

15,656
Journal of Review
x Biographical Records
x Pacific Coast Office
13 November 1944

There is returned herewith the original of your memorandum to the Director of 3 November together with your file on the above subject.

You will note that the approval of the Director and the opinion of the General Counsel appear on the face of your memorandum.

E. J. Putzell Jr.
Lieutenant (J.G.), USNR
Assistant Executive Officer

CC: Secretariat
General Counsel

Mrs. O'Donnell ✓

Attachments

CONFIDENTIAL